

SEC74

In the Matter of:

U.S. Securities and Exchange Commission v. Kik Interactive, Inc.

Jack Edward Neil, M.D.

January 28, 2020

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1 UNITED STATES DISTRICT COURT
2 SOUTHERN DISTRICT OF NEW YORK

3 U S SECURITIES and EXCHANGE)
4 COMMISSION,)

5) No 19-CV-05244

6 Plaintiff,)

7) (AKH)

8 vs)

9)

10 KIK INTERACTIVE, INC.,)

11)

12 Defendant)

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VIDEOTAPE DEPOSITION OF
JACK EDWARD NEIL, M D
(Taken by Defendant)
Asheville, North Carolina
Tuesday, January 28th, 2020

Reported in Stenotype by:
Judy F Reins, RMR, CRR

1 APPEARANCES

2 ON BEHALF OF THE PLAINTIFF:

3 LAURA K D'ALLAIRD, Esquire

4 DAVID MENDEL, Esquire

5 Securities and Exchange Commission

6 105 F Street NE

7 Mailstop 5971

8 Washington, DC 20549

9 (202) 551-5475

10 ON BEHALF OF THE DEFENDANT:

11 LUKE T CADIGAN, Esquire

12 MICHAEL E WELSH, Esquire

13 Cooley, LLP

14 500 Boylston Street

15 Boston, Massachusetts 02116

16 (617) 937-2300

17

18 ALSO PRESENT:

19 Kristy Skadow, Videographer

20

21 DEPOSITION OF JACK EDWARD NEIL, M D, a

22 witness called on behalf of Defendant, before Judy F

23 Reins, RMR, CRR, and Notary Public, in and for the

24 State of North Carolina, at Regus, Biltmore Park Town

25 Square, 28 Schenck Parkway, Suite 200, Asheville,

North Carolina, on Tuesday, the 28th day of January,

2020, commencing at 10:09 a m

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1 INDEX OF EXAMINATIONS

2 PAGE

3 By Mr Cadigan 7, 162

4 By Ms D'Allaird 138, 165

5 INDEX OF EXHIBITS

6 NUMBER DESCRIPTION MARKED

7 Exhibit 236 Subpoena to Jack Neil in the 10

8 matter of U S Securities

9 and Exchange Commission vs

10 Kik Interactive Inc dated

11 12/31/19

12 Exhibit 237 Printout of LinkedIn profile 17

13 for Jack Neil, M D

14 Exhibit 238 Email string, top email to 47

15 Jack Neil from Laura

16 D'Allaird dated 9/3/19 in re

17 Kik Interactive Inc

18 Exhibit 239 Email string, top email to 54

19 Jack Neil, M D from Laura

20 D'Allaird dated 9/19/19

21 regarding Kik Interactive

22 Inc

23 Exhibit 240 Email string, top email to 58

24 Jack Neil, M D from Laura

25 D'Allaird dated 12/30/19

regarding Kik Interactive

Inc

Exhibit 241 Spreadsheet entitled Jack 97

Neil's Kik ICO history

Exhibit 242 Letter to Kik Interactive, 119

Inc Legal Department from

Joseph J Peck, attorney,

dated 4/10/19

Exhibit 243 Email to [REDACTED] 152

from Kin by Kik dated 6/1/17

26

1 INDEX OF EXHIBITS (Continued)

2 NUMBER DESCRIPTION MARKED

3 Exhibit 244 Email to [REDACTED] 152

4 from Kin by Kik dated

5 6/15/17

6 Exhibit 245 Email to [REDACTED] 153

7 from Kin by Kik dated

8 8/22/17

9 Exhibit 246 Email to [REDACTED] 155

10 from Kin by Kik dated 9/17/17

11 Exhibit 247 Email to [REDACTED] 156

12 from Kin by Kik dated

13 10/3/17

14 Exhibit 248 Email to [REDACTED] 156

15 from Kin by Kik dated

16 9/26/17

17 Exhibit 249 Email to [REDACTED] 157

18 from Kin by Kik dated

19 11/26/19

20 Exhibit 250 Email to [REDACTED] 158

21 from Kin by Kik dated

22 12/30/19

23 Exhibit 251 Email to [REDACTED] 159

24 from Kin by Kik dated

25 1/21/20

26 Exhibit 252 Email to [REDACTED] 160

27 from Kin by Kik dated

28 1/26/20

29 Exhibit 253 Vox article entitled Kik 162

30 Messenger is no longer

growing, by Kurt Wagner,

9/29/16

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<p style="text-align: right;">Page 5</p> <p>1 PREVIOUSLY MARKED EXHIBITS REFERENCED</p> <p>2 NUMBER DESCRIPTION PAGE</p> <p>3 Exhibit 12 Whitepaper entitled Kin: a 93</p> <p>4 decentralized ecosystem of</p> <p>5 digital services for daily</p> <p>6 life</p> <p>7</p> <p>8</p> <p>9</p> <p>10</p> <p>11</p> <p>12</p> <p>13</p> <p>14</p> <p>15</p> <p>16</p> <p>17</p> <p>18</p> <p>19</p> <p>20</p> <p>21</p> <p>22</p> <p>23</p> <p>24</p> <p>25</p>	<p style="text-align: right;">Page 7</p> <p>1 witness.</p> <p>2 JACK EDWARD NEIL, M.D.,</p> <p>3 being first duly sworn, testified as follows:</p> <p>4 MS. D'ALLAIRD: Counsel, I apologize for</p> <p>5 starting before you begin. I know that we've</p> <p>6 stipulated to this before in previous</p> <p>7 depositions, but I just want to confirm on the</p> <p>8 record that all objections except to the form of</p> <p>9 the question are preserved.</p> <p>10 MR. CADIGAN: Yes.</p> <p>11 MS. D'ALLAIRD: Thank you.</p> <p>12 MR. CADIGAN: Yes, absolutely.</p> <p>13 EXAMINATION</p> <p>14 BY MR. CADIGAN:</p> <p>15 Q. Dr. Neil, thank you for taking the time</p> <p>16 today. I just want to go over a few ground rules as</p> <p>17 we get started. As you can see, the court reporter is</p> <p>18 transcribing everything we say today. It's often</p> <p>19 said, she's the most important person in the room, so</p> <p>20 to help her, I'd ask that you let me finish my</p> <p>21 questions and then you can answer. If you're</p> <p>22 responding, please give all your answers verbally</p> <p>23 rather than a head nod or a -- an uh-huh, so something</p> <p>24 non-verbal, affirmation or the like.</p> <p>25 And the attorneys here, when I'm asking</p>
<p style="text-align: right;">Page 6</p> <p>1 THE VIDEOGRAPHER: We are on the record.</p> <p>2 The time is 10:09 a.m. Today's date is</p> <p>3 January 28th, 2020. This is the video deposition</p> <p>4 of Dr. Jack Neil in the case of U.S. Securities</p> <p>5 and Exchange Commission versus Kik Interactive,</p> <p>6 Incorporated, Case Number 19-CV-05244, in the</p> <p>7 United States District Court, Southern District</p> <p>8 of New York.</p> <p>9 My name is Kristy Skadow, legal</p> <p>10 videographer. The court reporter is Judy Reins.</p> <p>11 Will all counsel please identify yourselves</p> <p>12 for the record.</p> <p>13 MR. WELSH: Michael Welsh, Cooley LLP, on</p> <p>14 behalf of Kik Interactive.</p> <p>15 MR. CADIGAN: Luke Cadigan. I'm from Cooley</p> <p>16 LLP for Kik Interactive.</p> <p>17 MS. D'ALLAIRD: Laura D'Allaird on behalf of</p> <p>18 the plaintiff, U.S. Securities and Exchange</p> <p>19 Commission.</p> <p>20 MR. MENDEL: David Mendel, also on behalf of</p> <p>21 the SEC.</p> <p>22 THE VIDEOGRAPHER: This deposition is</p> <p>23 being -- taking place in Asheville, North</p> <p>24 Carolina.</p> <p>25 Madam Court Reporter, please swear in the</p>	<p style="text-align: right;">Page 8</p> <p>1 questions, the SEC attorneys may make objections, and</p> <p>2 when they're asking questions, I may make objections.</p> <p>3 They're solely for the record. You may -- you may</p> <p>4 respond. If you don't understand a question, please</p> <p>5 let me know, and I'll do my best to rephrase.</p> <p>6 Otherwise I'll assume you understand the question.</p> <p>7 And if you need a break at any time, you</p> <p>8 know, let me know. The only thing I'd ask is if a</p> <p>9 question is pending, if you don't mind, just finish</p> <p>10 the answer. Then we'll be glad to take breaks</p> <p>11 whenever you need it.</p> <p>12 You understand you're testifying under oath.</p> <p>13 Any reason today that you can't testify truthfully,</p> <p>14 completely, honestly?</p> <p>15 A. No.</p> <p>16 Q. Have you ever testified under oath before?</p> <p>17 A. In two healthcare depositions.</p> <p>18 Q. Okay. And when -- when were those</p> <p>19 depositions?</p> <p>20 A. Maybe two years ago and four years ago,</p> <p>21 something like that.</p> <p>22 Q. The one -- the one four years ago, what was</p> <p>23 the -- the nature of that deposition?</p> <p>24 A. Neither one was I named. Both were --</p> <p>25 another person was named, and because I was involved</p>

<p style="text-align: right;">Page 9</p> <p>1 in the case, so it was related to malpractice. 2 Q. Those were malpractice cases in which you 3 were not -- 4 A. Correct. 5 Q. -- the named -- the named person. You 6 were -- you were a witness in those -- I mean, in 7 those matters. 8 A. Correct. 9 Q. And where -- in the one that was four years 10 ago, where was -- do you know where that was -- 11 A. They were -- well, they were both in South 12 Carolina -- well, the one four years ago, I think I 13 was living in Michigan at the time, actually. So it 14 was a -- that was a Georgia case for Medical College 15 of Georgia. And then the one two years ago was 16 Colleton Healthcare System. 17 Q. Colleton Healthcare System? 18 A. Uh-huh, in Walterboro, South Carolina. 19 Q. And that, too, was in South Carolina? 20 A. That one was in South Carolina. The other 21 one, the case was in Georgia, tech -- yeah, it was 22 technically in Georgia, and then I was living in 23 Michigan doing a fellowship. So I think they came to 24 Michigan for that deposition, but the case was in 25 Georgia for sure. I can't remember where the</p>	<p style="text-align: right;">Page 11</p> <p>1 A. I believe so. I believe this is the 2 email -- I received this in an email a few weeks ago. 3 Q. It's the subpoena for your appearance here 4 today. Correct? 5 A. Correct. 6 Q. And you're appearing here today pursuant to 7 the subpoena? 8 A. Correct. 9 Q. And it also commands the production of 10 documents. Is that right? 11 A. Yes. 12 Q. And if you go to the -- page 5 of the 13 subpoena, it shows -- on page 5 and page 6, it shows 14 ten categories of documents. Is that right? 15 A. Yes. 16 Q. And they include, amongst other things, All 17 documents and communications concerning Kik. 18 Is that right? 19 A. Correct. 20 Q. And All documents and communications 21 concerning Kin? 22 A. Correct. 23 Q. Also includes, All documents and 24 communications concerning the investigation or action. 25 A. Correct.</p>
<p style="text-align: right;">Page 10</p> <p>1 deposition occurred. 2 Q. And in either of these cases, was your 3 conduct at issue, I take it? 4 A. Correct. 5 Q. And -- and in those -- in those depositions, 6 were you represented by an attorney? 7 A. Yeah, the malpractice insurance carrier 8 assigned a -- an attorney. 9 Q. In both cases? 10 A. Definitely the one two years ago. The one 11 four -- yes, both. 12 Q. Okay. And in both those cases, did you 13 prepare for your depositions? 14 A. Maybe a 30-minute phone call, but not 15 extensively. 16 Q. And in both cases that was -- 17 A. Both cases, yeah. 18 Q. And are you represented by counsel today? 19 A. No. 20 Q. I want to show you -- actually, let's have 21 marked as the first exhibit, we're marking this as 22 Exhibit 236. 23 (EXHIBIT 236 WAS MARKED FOR IDENTIFICATION) 24 Q. You've been handed what's been marked as 25 Exhibit 236. Do you recognize this document?</p>	<p style="text-align: right;">Page 12</p> <p>1 Q. And any communications involving you and 2 the -- the SEC or any other governmental entity. 3 Is that right? 4 A. Yes. 5 Q. How did you go about collecting the 6 documents responsive to the subpoena? 7 A. Mostly from memory and computer searches, so 8 through my email. 9 Q. And you did produce documents pursuant to 10 the subpoena. Correct? 11 A. Correct. 12 Q. Do you recall how many documents you 13 produced? 14 A. I do not. There's -- some were on one hub 15 in a repository, and then I forwarded emails, so there 16 were probably three or four sets of emails I 17 forwarded. 18 Q. Three or four sets of emails, and about how 19 many documents, just so we have a general -- is it 20 about ten? 21 A. Sounds about right. 22 Q. And again, going through -- just as we go 23 about the process of collecting the documents, you 24 indicated that you went through your emails? 25 A. Uh-huh, yes.</p>

<p style="text-align: right;">Page 13</p> <p>1 Q. And how did you go about searching for your 2 emails?</p> <p>3 A. I searched for Kin. I searched for Kik. I 4 searched for the people's names I had communicated 5 with, Laura, Jenna, and whatever came back I 6 forwarded.</p> <p>7 Q. And -- and then when -- I take it there were 8 no emails that -- that hit on Kin or Kik that you did 9 not produce?</p> <p>10 A. No. The only thing, as I mentioned in an 11 email, is there were a few emails with an attorney a 12 year ago that I thought were privileged, and, you 13 know, if -- if it's deemed it's not, I can forward 14 them. There's nothing hidden there, but because it 15 was with an attorney, I didn't produce those.</p> <p>16 Q. And with respect to that, how -- how many 17 emails were there?</p> <p>18 A. Probably 12. Most -- most were one line, 19 and many were not really relevant to this case.</p> <p>20 Q. And what -- without getting into the 21 communications -- first of all, who was the attorney?</p> <p>22 A. Joe -- Joseph Peck.</p> <p>23 Q. And who is Joseph Peck?</p> <p>24 A. He's an attorney -- he was in Washington, 25 D.C., and then he moved down here for a while to</p>	<p style="text-align: right;">Page 15</p> <p>1 Q. And was there anything in that -- in that 2 folder that you did not produce?</p> <p>3 A. No.</p> <p>4 Q. And other than that, there were no other 5 documents that you had?</p> <p>6 A. Correct.</p> <p>7 Q. So just -- just to be clear, other than the 8 emails with your attorneys, there were no documents 9 that you had that were responsive that you did not 10 produce?</p> <p>11 A. Correct.</p> <p>12 Q. Did you have any discussion with the SEC 13 about your production?</p> <p>14 A. I don't believe so, unless they say -- I 15 don't think so.</p> <p>16 Q. So you had no discussions with the SEC about 17 how to collect documents?</p> <p>18 A. No.</p> <p>19 Q. And you had no discussions with the SEC 20 about what documents to produce?</p> <p>21 A. No.</p> <p>22 Q. Did you have any discussions with any 23 attorney about how to -- how to collect the documents?</p> <p>24 A. No.</p> <p>25 Q. Did you have any discussions with an</p>
<p style="text-align: right;">Page 14</p> <p>1 Asheville, then he moved back to D.C. So I had known 2 him through -- and we'll probably get into this later, 3 but a few years ago with a company that I was working 4 on, we looked into doing an ICO, and he knew 5 cryptocurrency law pretty well. There aren't many 6 people who did, and so I communicated with him back 7 then just around -- around that, and then after this 8 matter, I discussed it with him and what our 9 possible -- what we could possibly look into doing.</p> <p>10 Q. Okay. Yeah, I think I'll get in -- we'll 11 get into that in more detail later then.</p> <p>12 And then with respect -- and those were the 13 only -- well, those are the only emails --</p> <p>14 A. Yes.</p> <p>15 Q. -- that hit on Kik or Kin that you had --</p> <p>16 A. Correct.</p> <p>17 Q. -- produced? And then with respect to 18 documents, what did you do to go about searching for 19 responsive documents?</p> <p>20 A. I mean, over the last couple years, or at 21 least last year-and-a-half, I sort of had a folder on 22 my computer that when anything was relevant, I put 23 things -- I put them in, so some of the screenshots 24 and such I had put in that folder, so I produced that 25 folder.</p>	<p style="text-align: right;">Page 16</p> <p>1 attorney about your -- about the subpoena in any -- in 2 any degree; namely, your deposition here today or the 3 production of documents?</p> <p>4 A. I mean, I -- I spoke for 20 minutes with a 5 guy, Jason Blackwell, I believe his name, about 6 whether I should be represented or not, but I didn't 7 hire him or -- I didn't -- he's not here. I mean, 8 I -- I didn't hire him.</p> <p>9 Q. Okay. And, again, without getting into the 10 communications with Mr. Blackwell, who is -- who is 11 Mr. Blackwell?</p> <p>12 A. He's an attorney out of Hendersonville, and 13 it was just a phone call. A friend of mine knew him, 14 and he's not a securities lawyer, so he -- he didn't 15 feel like he could add much value, so.</p> <p>16 Q. Okay. But other -- other than -- and, 17 again, sounds like you didn't -- you didn't get into 18 much discussion with him on it, but other than that, 19 you had no discussion with any attorneys regarding 20 your production?</p> <p>21 A. Correct.</p> <p>22 Q. And so you're confident you produced all 23 responsive documents?</p> <p>24 A. I'm -- yeah, I'm confident that I -- I don't 25 know where else I'd look for documents, or off of</p>

<p style="text-align: right;">Page 17</p> <p>1 memory, I don't have any other documents that would be 2 relevant to this. 3 Q. I want to turn to the next exhibit, 237. 4 (EXHIBIT 237 WAS MARKED FOR IDENTIFICATION) 5 Q. I'm handing you what's been marked as 6 Exhibit 237. This is your LinkedIn profile. Is that 7 correct? 8 A. Correct. 9 Q. And is everything in here accurate? 10 A. It appears to be, yes. 11 Q. I want to congratulate you on your man -- 12 Man of the Year. 13 A. That's right. It was you, too. 14 Q. Congratulations to us both on that. 15 And so, I mean, I appreciate that it's here, 16 but I'd like to hear from you. 17 A. Yes. 18 Q. Where -- where did you go to college? 19 A. Undergraduate, I did a semester at Clemson 20 and then the rest at University of South Carolina 21 School of -- sorry, University of South Carolina, and 22 then medical school was at the University of South 23 Carolina School of Medicine in Columbia, South 24 Carolina. Two years were -- the last two years of 25 that were in Greenville for clinical years, and then</p>	<p style="text-align: right;">Page 19</p> <p>1 Q. And do you have a specialty in medicine? 2 A. Pediatric anesthesiology. 3 Q. And where did you get your residency -- I 4 mean, where did you do your residency? 5 A. My anesthesia residency was in Augusta, 6 Georgia, and then my pediatric fellowship was in Ann 7 Arbor, Michigan. 8 Q. And when you say it was Augusta, Georgia, 9 that was at the Medical College of Georgia. Is that 10 right? 11 A. I don't know what it's called today. It 12 keeps changing names, but yes, that's the historical 13 name of that college. 14 Q. Okay. And then -- and then thereafter, as 15 indicated here, you were a pediatric anesthesiology 16 fellow at the University of Michigan? 17 A. Correct. 18 Q. And you got -- that residency was 2014-2015. 19 Is that right? 20 A. Yep, yes, sir. 21 Q. You know, there -- there's a reference here 22 to the general surgeon -- surgery resident in 23 University of Hawaii. 24 A. Uh-huh. 25 Q. Could you tell me what -- what that was?</p>
<p style="text-align: right;">Page 18</p> <p>1 as you can see here, I did residency and fellowship 2 afterwards. 3 Q. Okay. And, actually, if you just break that 4 down, so on your LinkedIn page, it -- it references 5 your graduation from the -- for undergrad from the 6 University of South Carolina at Columbia. Did you say 7 that you attended Clemson? 8 A. Yeah, for one semester. 9 Q. Oh, for one semester. Okay. And then -- 10 and then thereafter, you attended University of South 11 Carolina? 12 A. Yes. 13 Q. And got your -- your BS in Computer 14 Information Systems there. Is that right? 15 A. Correct. 16 Q. And then thereafter -- and then that was 17 2004? 18 A. Yes. 19 Q. And thereafter you attended medical school 20 with the University of South Carolina School of 21 Medicine? 22 A. Yes. 23 Q. And you graduated there in 2009. Is that 24 right? 25 A. Yeah, correct.</p>	<p style="text-align: right;">Page 20</p> <p>1 A. That's just a filler year because I changed 2 specialties, so when I finished medical school, I 3 started in general pediatrics and then switched to 4 anesthesia, and then there was a filler year, a gap 5 year, so I did surgery in Hawaii, and I got divorced 6 right before that, so I wanted to go somewhere nice. 7 Q. And now prior to your -- I mean, your -- 8 your work as a -- or rather, your education as a 9 doctor, it indicates that you were a chief software 10 architect at Premier Environmental Services. Is that 11 right? 12 A. Correct. 13 Q. What did -- what did that entail? 14 A. Writing software to interface different 15 computer systems. Like, we wrote a web portal for 16 tracking trucks and drivers and material and payments. 17 I was the lone programmer, so I made up my own title. 18 Q. And -- and again, you had come out of the 19 University of South Carolina with a degree in Computer 20 Information Systems. Is that right? 21 A. Correct. 22 Q. And at that time when you graduated, had you 23 known that you wanted to become a doctor? 24 A. I had done pre -- my last year of that 25 undergraduate degree, I did premed because I had a</p>

<p style="text-align: right;">Page 21</p> <p>1 year -- had finished my degree in three years, so the 2 last year I did premed -- premed, and then I took the 3 MCAT, and then I didn't get into medical school -- I 4 mean, I got into medical school the first time, but it 5 was still a year away, so that's -- that's where that 6 year of work was, the gap in between. 7 Q. So when you graduated from -- from college, 8 just so I -- out of curiosity, where did you intend to 9 go with your career? 10 A. I thought I would be writing software and 11 making companies, but it was 2003 and I was 19 years 12 old and nobody would hire a 19-year-old computer guy 13 in the Southeast after the .com, so medicine seemed 14 stable, so. 15 Q. And I take it and as reflected in your -- in 16 your -- on the first page of -- of your LinkedIn 17 profile, you are rather proficient in software coding. 18 Is that right? 19 A. Yes. 20 Q. And you just mentioned that you had thought 21 you would be starting companies. Did you have an 22 interest in entrepreneurship at the time? 23 A. A light interest, but yes, an interest. 24 Q. Had you had any involvement with startups as 25 of the time you graduated from University of South</p>	<p style="text-align: right;">Page 23</p> <p>1 to make their systems better, paging systems or other 2 things. 3 Q. Did you have any involvement with startups 4 during your time in -- in medical school or your 5 residency? 6 A. Unfortunately, no. 7 Q. And then -- now, when you graduated -- 8 MR. CADIGAN: Actually, can we just go off 9 for a second? I believe there's an issue with 10 the LiveNote. 11 THE VIDEOGRAPHER: The time is 10:27 a m. 12 We're going off the record. 13 (RECESS TAKEN) 14 THE VIDEOGRAPHER: The time is 10:39 a m. 15 We are on the record. 16 BY MR. CADIGAN: 17 Q. Dr. Neil, just places in time, after you 18 graduated from the University -- or rather, you 19 finished your residency at the University of Michigan, 20 what did you do next? 21 A. I went to work for MedStream Anesthesia 22 practicing anesthesia down in Walterboro, South 23 Carolina. I was there for one year and then moved up 24 to Hendersonville, North Carolina, and continued 25 practicing anesthesia at Pardee Hospital.</p>
<p style="text-align: right;">Page 22</p> <p>1 Carolina, Columbia? 2 A. I had programmed a few different website -- 3 websites, but never taken outside investment or formed 4 an official company around it. 5 Q. I'm sorry. When you say that you had -- had 6 you done that for -- for other companies or? 7 A. One -- I did one for another company, one 8 was sort of for myself, and I looked at raising 9 capital to do it, but I was 19 and there's no -- it 10 was a different ecosystem, so I never pursued it. 11 Q. Okay. So you -- up until that point, you 12 hadn't actually formed any company? 13 A. Correct. 14 Q. And during your -- your time in medical 15 school and in -- and your residencies, did you 16 continue your interest in -- in coding? 17 A. A little bit. There wasn't much time, but I 18 did -- I wrote some software during medical school and 19 residency. 20 Q. For -- for what purpose? 21 A. For the med school or, like, for the entity 22 I was with. So at the medical school I wrote some 23 software to record lectures and put them on the web 24 page automatically, and then each place I went for 25 residency or for fellowship, I always wrote something</p>	<p style="text-align: right;">Page 24</p> <p>1 Q. Okay. Just before we get there, so on 2 your -- when you indicated -- wait, where did you say 3 you first went after Michigan? 4 A. Colleton, South -- Colleton, South 5 Carolina -- Walterboro, South Carolina. Colleton 6 Hospital in Walterboro, South Carolina. 7 Q. So it was Colleton Hospital in South 8 Carolina? 9 A. Yeah, Colleton Regional Medical Center or 10 something. 11 Q. Okay. And that's -- is there any reason 12 that's not on your -- on your -- 13 A. Well -- 14 Q. -- profile, or -- or am I missing it, just? 15 A. Well, I mean, it was a MedStream Hospital, 16 so I think MedStream is on here somewhere. 17 Q. Oh, yes. 18 A. So it's a MedStream Hospital. So I was 19 still with MedStream, just a different location. 20 Q. Okay. And you worked as an 21 anesthesiologist -- 22 A. Correct. 23 Q. -- for that -- for that one-year period? 24 A. Correct. 25 Q. And then -- and then there's also a</p>

<p style="text-align: right;">Page 25</p> <p>1 reference here to Chief Medical Officer at Blue Nine 2 Systems? 3 A. Uh-huh, yes. 4 Q. What is -- what is that? 5 A. It's the software division of MedStream -- 6 or it's the software company owned by MedStream. 7 Q. What is MedStream? 8 A. Anesthesia staffing group, so they provide 9 staffing to hospitals and surgery centers. 10 Q. And you've worked there since 2015? 11 A. Correct. 12 Q. And it says that you're the Chief Technology 13 Officer. Did you start off as the Chief Technology 14 Officer? 15 A. Not with that title, no. I started off just 16 anesthesia, just pediatric anesthesiology. 17 Q. Okay. And -- and you're saying Blue Nine 18 Systems is an affiliate of MedStream? 19 A. Correct, wholly owned. 20 Q. Okay. And in your role as chief medical 21 officer, what did you do? 22 A. Helped develop their anesthesia software. 23 Q. And you did that from November 15th to 24 March 2017? 25 A. Correct, approximately, yes.</p>	<p style="text-align: right;">Page 27</p> <p>1 March 2017, it reflects that you founded Udifi. Am I 2 pronouncing that right? 3 A. It's fine, but Udifi. 4 Q. Udifi, Udifi. Okay. What is Udifi? 5 A. It's a Delaware C-Corp, but, you know, 6 I'm -- I'm the only shareholder. It's -- as I 7 developed and patented just different technologies for 8 healthcare, I put them in that, so it's an 9 intellectual property holding company, basically. 10 Q. So, but it's a -- it's a Delaware 11 corporation? 12 A. Correct. 13 Q. You're the sole shareholder? 14 A. Correct. 15 Q. Any employees? 16 A. No. 17 Q. Any revenue? 18 A. No. 19 Q. Okay. And I take it that you haven't sought 20 any funding for that? 21 A. Correct, correct. 22 Q. And what exactly -- what type of IP does it 23 hold? 24 A. Somewhere on here, it's probably on this -- 25 down in the patent area. So on the patents, it holds</p>
<p style="text-align: right;">Page 26</p> <p>1 Q. Okay. And then after your time at the 2 Colleton Regional Hospital in South Carolina, where 3 did you go next? 4 A. Hendersonville, North Carolina to Pardee, 5 P-A-R-D-E-E, Hospital. 6 Q. And you worked there as an anesthesiologist? 7 A. Correct. And I still do. 8 Q. And so you've been there the entire time, I 9 mean since then? 10 A. Yes. 11 Q. And how often are you in the hospital 12 itself? 13 A. As of last -- for the past year, about six 14 clinical days a month. Prior to that, it was full 15 time, which is 50 hours a week. 16 Q. And at what point did you go from 50 hours 17 to six clinical days? 18 A. Basically January, 2019. 19 Q. And what prompted that -- that change? 20 A. Starting -- starting the company, Hank AI. 21 Q. Okay. Before -- before we get to that, so 22 you were working, then you were working as an 23 anesthesiologist at Pardee Hospital. Correct? 24 A. Correct. 25 Q. And -- and at some point, you -- or in</p>	<p style="text-align: right;">Page 28</p> <p>1 the systems and methods for predicting identifiers -- 2 sorry, no, it doesn't hold that one. It holds virtual 3 reality headset adapted to engage in anesthesia 4 mask -- 5 THE COURT REPORTER: I'm sorry, virtual 6 reality headset? 7 THE WITNESS: Virtual reality headset 8 adapted to engage in anesthesia mask, acoustic 9 and other waveform event detection and correction 10 systems and methods, and blockchain systems and 11 methods for remote monitoring. 12 BY MR. CADIGAN: 13 Q. And does that mean -- it said that you were 14 the founder there. Do you -- do you -- how much time 15 do you spend with Udifi? 16 A. I mean, it's not technic -- it doesn't have 17 a physical presence or a revenue stream, so it's a 18 holding company. So I'd say on average, none per 19 week. 20 Q. And then in February 2018, it says that you 21 cofounded Zather -- 22 A. Correct. 23 Q. -- is that correct? What is Zather? 24 A. So it -- we founded it with two guys from 25 London, and it is a -- as it says here, it's a -- it's</p>

<p style="text-align: right;">Page 29</p> <p>1 a way to crowdsource machine learning training data, 2 but we've not raised capital for that yet. 3 Q. And do you have intentions to raise capital 4 for that at the present time? 5 A. Not at the present time. I'm saturated with 6 my other work. 7 Q. And so you founded it with two other people? 8 A. Correct. 9 Q. What are their names? 10 A. Chet, C-H-E-T, Kaher, K-A-H-E-R, and then 11 Mani Patel, M-A-N-I Patel. 12 Q. And does the company have any revenue at 13 this time? 14 A. No, it's -- the actual prototype's not even 15 finished. 16 Q. And so when you say "the prototype," what 17 exactly are you talking about? 18 A. The app for data collection. 19 Q. Is there any -- and when -- how did you come 20 to -- to meet your cofounders? 21 A. At a conference, the Artificial Intelligence 22 in Medicine conference. 23 Q. Does this company have any blockchain 24 component to it? 25 A. No.</p>	<p style="text-align: right;">Page 31</p> <p>1 a technical complexity without a business value. 2 Q. You had talked earlier about working at -- 3 with Mr. Peck to discuss an ICO. 4 A. Correct. 5 Q. Was that in connection with Zather? 6 A. That was with Udifi. 7 Q. That was with Udifi. And so with -- with 8 Zather you -- you had not contemplated an ICO? 9 A. No. 10 Q. We'll get back to that ICO later. 11 For Udifi, do you have a website? 12 A. Yeah, just basically a placeholder website, 13 but yes. 14 Q. What's on the website? 15 A. Just big picture, you know, leave a legacy, 16 myself, my dad, my cousin, sort of the three people 17 who were sort of building products, maybe a little bit 18 about what we want to do, just hold intellectual 19 property, develop technologies, and license them. 20 THE COURT REPORTER: Develop technologies 21 and? 22 THE WITNESS: And license them. 23 BY MR. CADIGAN: 24 Q. Is there -- is there any hidden substance or 25 materials in there that people can access if they're</p>
<p style="text-align: right;">Page 30</p> <p>1 Q. Are you familiar in the startup world with 2 the concept of a minimum viable product? 3 A. Yes. 4 Q. Are you a -- do you have a minimal viable 5 product -- product yet for Zather? 6 A. No. 7 Q. Are you working towards one? 8 A. Not actively. 9 Q. Actually, so we're on the right -- what is a 10 minimum viable product? 11 A. Basically a proof-of-concept technology that 12 shows what the use case of the product is so that 13 it's -- yeah. 14 Q. Okay. And Zather was founded after you had 15 purchased Kin in the TDE at issue here. Right? 16 A. I believe so, yes. It was founded -- yes. 17 Q. Okay. And had you ever contemplated having 18 a -- a blockchain or a cryptocurrency component with 19 Zather? 20 A. Not -- what's the right word? Not really, 21 I'd say. 22 Q. Had you -- had you in any -- any sense? 23 A. We had -- we -- we thought about it on one 24 conference call, whether it would make sense for 25 compensation, but it would -- we decided it would add</p>	<p style="text-align: right;">Page 32</p> <p>1 granted access through -- 2 A. No. 3 Q. -- passwords or the like? No? 4 A. No. 5 Q. What about Zather, does Zather have a 6 website? 7 A. It does. 8 Q. Okay. And what's on that website? 9 A. Sort of lays out the plan for Zather, that 10 it's a -- a marketplace for companies who need to 11 collect training data for their AI systems, and then, 12 another side, to explain to the humans or the data 13 collectors what their value would be. The log-in 14 doesn't work. You can't log in and see a dashboard, 15 though. 16 Q. Have you actively started soliciting 17 participants for Zather? 18 A. No. 19 Q. In the -- just as you're working through 20 the -- the concept right now for Zather, what is the 21 incentive you're providing people who are going to be 22 providing data? 23 A. So the -- the business model would be, 24 that's sort of structured, is that any company who 25 wants to train an AI model and needs diverse, unbiased</p>

<p style="text-align: right;">Page 33</p> <p>1 training data can put out a request and put a 2 financial incentive on it to pay the humans to collect 3 it. So if you need rotten oranges and ripe oranges, 4 you can request a thousand pictures of oranges, half 5 rotten, half not rotten, and then pay people out of 6 that 10,000, so if you said you had a thousand and 7 you'll pay a dollar apiece, then a percentage of that 8 goes to the humans collecting it. 9 Q. And just so I understand, are you actually 10 talking about oranges or is that a -- is that a -- 11 A. And that's an example, yeah. I'm sorry, no, 12 literal oranges, but -- 13 Q. Literal oranges. 14 A. -- other fruits and, yeah, pictures of audio 15 for car belts, any -- anything you need to train your 16 AI system to collect the training data. 17 Q. And are you still working on that, that 18 project? 19 A. Not actively. We've -- we need a CEO. I 20 can't run two companies, so. And that's not my space 21 of passion, so. It's a need, but if we found the 22 right CEO, we would, but. 23 Q. There's a reference on -- on the website to 24 Zeds. What are -- what are zeds? 25 A. So they would basically be a reward.</p>	<p style="text-align: right;">Page 35</p> <p>1 BY MR. CADIGAN: 2 Q. And where are you getting the money for that 3 project? 4 A. Sort of bootstrapped. I mean, we probably 5 put a total of \$10,000 of our -- combined of our own 6 money towards it. 7 Q. But you have not gotten any funding for 8 that? 9 A. Correct. 10 Q. And then you mentioned Hank AI, which you 11 founded in January of 2019. Correct? 12 A. Correct. 13 Q. What is Hank AI? 14 A. It is a -- it's a way to learn how humans 15 think and replace low-level repetitive human 16 decisions. Kind of like what UiPath did for clicks, 17 we do for low-level repetitive decisions. 18 Q. What does -- what does that mean? What -- 19 A. It means if you're -- if you're seeing the 20 same -- if you're -- if you're sitting behind a 21 computer screen and seeing some inputs, you know, be 22 it Excel spreadsheets, be it in this case -- our first 23 use case is medical coding. You're seeing a medical 24 record and your job is to translate it into codes, 25 automate that process.</p>
<p style="text-align: right;">Page 34</p> <p>1 Instead of paying you in straight dollars, they would 2 be -- and without blockchain, they would be, like, a 3 value -- instead of paying you in dollars, they would 4 be a value. So they wouldn't be backed by blockchain. 5 They'd just be in our database. So it would be you'd 6 get 10,000 Zeds. We probably weren't going to 7 actually do that, but that was something we talked 8 about. 9 Q. And so you -- you were talking about this as 10 a form of -- of currency? 11 A. Correct. 12 Q. But it was -- I mean, at present, I mean, it 13 was not considered to be a digital currency that you 14 were -- 15 A. Correct, we had no desire to build out a 16 blockchain solution for that. 17 Q. And you're still -- but you're still working 18 on it? 19 A. We haven't in almost a year. 20 MR. MENDEL: I just want to make sure you 21 said have not? 22 THE WITNESS: Have not. 23 MR. MENDEL: Okay. 24 THE WITNESS: In almost a year. 25 ///</p>	<p style="text-align: right;">Page 36</p> <p>1 Q. Okay. When you say a "use case," what's a 2 use case? 3 A. An example of an application of the product. 4 Q. And do you have a minimum viable product? 5 A. Yes. 6 Q. And what -- what is that minimal viable 7 product? 8 A. I mean, it's -- it's a combination of 9 back-end APIs to handle all the -- it's RESTful APIs. 10 We have -- without going too much into sort of some of 11 the confidential pieces of proprietary stuff, we've 12 got the APIs, we've got the AI back end, and we've got 13 the user interface for the application that the user 14 installs on their computer. 15 Q. When you say API," what do you mean? 16 A. Application programming interface, so it's 17 the way computers talk to each other. 18 Q. And you have one use case at present. 19 Right? 20 A. One way -- there's lots of applications 21 built off of that, I -- I guess. I mean, I don't know 22 quite how to answer that. I mean, it -- that use case 23 expands into many, so that particular one is an 24 example of the way we collect and train the system, 25 but a lot of things in healthcare are based off of</p>

<p style="text-align: right;">Page 37</p> <p>1 that process, so there are many use cases that come 2 off the top of that. 3 Q. And I guess what I'm saying, have you -- 4 have you executed on any of the other use cases that 5 come off the top of that at this time? 6 A. No. 7 Q. And are you still developing the product, 8 the platform? 9 A. Yes, that one's our -- that one's active. 10 Q. That one's active? 11 A. Yes, active, correct. 12 Q. Meaning that you have customers and people 13 using the platform? 14 A. Correct. 15 Q. How many -- how many employees do you have? 16 A. So we have -- there are seven total people 17 working on the project. No one's full time, and 18 everyone's 1099 contract right now. 19 Q. And what do those people do? 20 A. Six are basically software development, and 21 one is more psychology story marketing. 22 Q. And do you have any revenue at this time? 23 A. We were funded with a prepayment from a 24 customer, so that's our revenue. 25 Q. And how many customers do you have?</p>	<p style="text-align: right;">Page 39</p> <p>1 A. For us? 2 Q. Yes. I mean, actually, what is a -- what is 3 burn rate in general? 4 A. Oh, okay. Just, I don't know if that's 5 relevant here, but. So -- 6 Q. I'm just wondering if you're familiar with 7 the concept of burn rate. 8 A. Yeah. It's -- you're losing money, you 9 know, you're losing more than you're making, and how 10 long will the money you raise last before you're out 11 of money and need to raise more money to keep going. 12 So if you're not profitable, it's -- I think most of 13 the time it's referred to in a non-profitable business 14 or -- so if you're profitable, it would just be your 15 cost of goods sold or your salaries, so. 16 Q. And what -- and in -- in your case, once 17 you, you know, go through the end of the burn rate, 18 what -- what would be your plans, if any? 19 A. Yeah, your goal is to convert to a 20 profitable business before you run out of burn -- 21 before you burn all your burn or raise more money. 22 Q. And you could also cut expenses and the 23 like. Is that right? 24 A. In theory, yes. 25 Q. And as a result of -- and so at this -- at</p>
<p style="text-align: right;">Page 38</p> <p>1 A. We have two partners signed, two 2 customers/partners signed, and we -- this is 3 confidential, but we're in the process of acquiring 4 a -- a large -- a large group. 5 Q. A large group? 6 A. Large coding group. 7 Q. Coding, coding. 8 A. Medical coding group, not -- not software 9 development, medical coding group. 10 Q. When you said that you were funded with 11 prepayment, did the -- the company that provided the 12 prepayment take an ownership interest in the company? 13 A. Yes. 14 Q. And how much -- what percentage of the 15 company do you own? 16 A. Close to 50 percent. 17 Q. And who are the other owners in the company? 18 A. The two other co-founders, Sam Hartzog and 19 Sergey Razin, R-A-Z-I-N, and then Ellington 20 Enterprises, which is the entity that prepaid. They 21 have the other shares. 22 Q. And are you familiar with the concept of a 23 burn rate? 24 A. Yes. 25 Q. And what -- and what is a burn rate?</p>	<p style="text-align: right;">Page 40</p> <p>1 present, you are involved in Hank AI. Right? 2 A. Yes. 3 Q. You're involved in Zather, although 4 that's -- doesn't sound like that's very active at 5 this point? 6 A. Correct. 7 Q. Okay. You still have your holding company 8 in Udifi. Correct? 9 A. Correct. 10 Q. Okay. And you still work at MedStream five 11 to six clinical days a month? 12 A. Correct. 13 Q. Are there any other companies that you are 14 involved with at this time or -- or contemplating 15 being involved with? 16 A. I don't have any -- I'd say I have no equity 17 in anything else. I talk to a lot of companies, so 18 I -- I am not involved in any leadership or decision- 19 making with any other company, no. 20 Q. Okay. But are you in the process of forming 21 any other companies? 22 A. No. 23 Q. And with respect to -- to Hank AI, what 24 is -- what is your role with the company? 25 A. To lead it, to define the market fit, define</p>

<p style="text-align: right;">Page 41</p> <p>1 the business model. We started with sort of a 2 technology and are refining the business model on top 3 of the technology. 4 Q. And are you doing any coding for the 5 company? 6 A. Yes. 7 Q. And about how much time is that taking a 8 week for you? 9 A. Forty hours. It's -- mostly my full-time 10 work is Hank AI. 11 Q. Let's turn to your -- your preparation for 12 your deposition today. How did you prepare for your 13 deposition today? 14 A. Not very much. I mean, I looked back 15 through the documents and the -- what I supplied and 16 talked to Jason, the attorney, to see if I need -- if 17 he thought I needed an attorney, but that's about it. 18 Q. Did you -- and so you -- you said you talked 19 to Jason, but that was only about whether or not you 20 would need an attorney here. 21 A. Correct. 22 Q. Did you speak to anyone else to prepare for 23 your deposition today? 24 A. Maybe my wife, but she's not -- just wife 25 talk, you know.</p>	<p style="text-align: right;">Page 43</p> <p>1 I -- I remembered all of the documents, but. 2 Q. When did you go about preparing for this 3 deposition? 4 A. I suppose I'd count from when I heard about 5 doing it, so whatever the subpoena date is. 6 Q. And so you -- you collected the documents 7 for -- for production? 8 A. Correct. 9 Q. After you produced those documents, did 10 you -- what time did you spend preparing for this 11 deposition? 12 A. I include that in the five hours. 13 Q. Yeah, but I'm saying, what -- I mean, so you 14 produced the documents? 15 A. Oh, you're saying what part of the five 16 hours? 17 Q. Yeah, I'm trying to figure out whether or 18 not you prepared yesterday -- 19 A. Two-and-a-half. 20 Q. -- two days -- two days -- two-and-a-half 21 hours? 22 A. Two-and-a-half hours, yeah. 23 Q. Okay. And -- 24 A. I wasn't sure of what to do to prepare, so, 25 yes.</p>
<p style="text-align: right;">Page 42</p> <p>1 Q. And about how much time would you say you 2 spent in preparation for your deposition today? 3 A. Five hours. 4 Q. And in those five hours, what did you do? 5 A. Collecting documents, the documents that 6 I've distributed or, you know -- what's the word? 7 Q. Produced. 8 A. Produced, yes, the documents I -- 9 Q. Well, let me put aside the -- the production 10 of the documents itself, but -- well, actually, I take 11 it back. That -- that goes -- so you had -- you 12 spent -- you spent -- so you're including in the five 13 hours the time you spent collecting documents. Is 14 that right? 15 A. Collecting and reviewing, yes. 16 Q. And reviewing. Other than the documents 17 that you provided, did you review any other documents? 18 A. I do not believe so. 19 Q. Did any of the documents refresh your 20 memory? 21 A. Yes. 22 Q. Okay. Which one -- which -- any in 23 particular? 24 A. I mean, I -- I -- when I answer that as yes, 25 I mean, they all refresh my memory. You know, they --</p>	<p style="text-align: right;">Page 44</p> <p>1 Q. Okay. When did you prepare -- what did you 2 do to prepare after you had produced the documents? 3 A. Just read them. 4 Q. And when did you do that? 5 A. Some point, you know, between January 28th 6 and today, or -- 7 Q. But do you recall when? 8 A. Sorry, not -- that is today, sorry. 9 Whenever this document was sent in. I do not recall 10 when. 11 Q. Had you been following this -- the law -- 12 the SEC's lawsuit against Kik? 13 A. I followed the -- I read the original 14 complaint, and then not much else other than the 15 original complaint. 16 Q. When did you -- when did you read that? 17 A. Within days of when it came out, whatever 18 date that record shows. 19 Q. And did you review Kik's answer to the 20 complaint? 21 A. I did. 22 Q. And when did you read that? 23 A. Again, it must have been relatively soon 24 after it came out. 25 Q. And have you looked at either of those</p>

<p style="text-align: right;">Page 45</p> <p>1 documents since you received the subpoena?</p> <p>2 A. I did not review those, no.</p> <p>3 Q. When did the -- what about the Kik's Wells'</p> <p>4 notice -- response to Wells' notice in this matter?</p> <p>5 Are you familiar with what that is?</p> <p>6 A. Not particularly. I -- I think I read it,</p> <p>7 but I'm not -- I -- if you -- if you have it, it may</p> <p>8 refresh my memory.</p> <p>9 Q. Prior to the SEC bringing its action in this</p> <p>10 matter in the middle of 2019, and this was back</p> <p>11 actually in the winter of 2018 or around there, Kik</p> <p>12 published a response to the SEC's proposed claims, you</p> <p>13 know, Wells' notice.</p> <p>14 MS. D'ALLAIRD: Objection.</p> <p>15 THE WITNESS: I believe I read --</p> <p>16 BY MR. CADIGAN:</p> <p>17 Q. And actually, I take that back. The</p> <p>18 timing -- the actual timing, winter of 2000 -- was it</p> <p>19 December 2000 -- December 2018, January 2019, in</p> <p>20 around there?</p> <p>21 MS. D'ALLAIRD: Objection.</p> <p>22 THE WITNESS: I -- I -- every now and then,</p> <p>23 I'll log into CoinDesk, which is sort of the news</p> <p>24 site, and see the articles, so I'm -- I'm sure I</p> <p>25 read that when it came out.</p>	<p style="text-align: right;">Page 47</p> <p>1 BY MR. CADIGAN:</p> <p>2 Q. When did the SEC first contact you regarding</p> <p>3 Kik?</p> <p>4 A. Whenever that first email I supplied was.</p> <p>5 I -- I imagine it was three months ago, something like</p> <p>6 that, maybe four, maybe -- it seems like it was August</p> <p>7 or September.</p> <p>8 Q. Okay. This, the next exhibit marked as</p> <p>9 Exhibit 238.</p> <p>10 (EXHIBIT 238 WAS MARKED FOR IDENTIFICATION)</p> <p>11 Q. I'm handing you what's been marked as</p> <p>12 Exhibit 238. It's an email chain of the last in time,</p> <p>13 of which is an email from Laura D'Allaird to you dated</p> <p>14 September 3rd, 2019. Do you recognize this document?</p> <p>15 A. Yes, yes.</p> <p>16 Q. And what is this document?</p> <p>17 A. The email chain between myself and Laura</p> <p>18 D'Allaird.</p> <p>19 Q. And was the -- the first-in-time email is</p> <p>20 dated August 29th, 2019, from Ms. D'Allaird to</p> <p>21 yourself. And was that the first contact that -- that</p> <p>22 the SEC had with you?</p> <p>23 A. I believe so, yes.</p> <p>24 Q. And it references your attempts to have a --</p> <p>25 to arrange a discussion. Do you see that?</p>
<p style="text-align: right;">Page 46</p> <p>1 BY MR. CADIGAN:</p> <p>2 Q. You're sure you read the -- Kik's response</p> <p>3 to Wells' --</p> <p>4 A. I'm -- I'm sure I at least read what showed</p> <p>5 up on CoinDesk, but I don't completely recall any</p> <p>6 further than that.</p> <p>7 Q. Okay. So you don't recall whether you read</p> <p>8 Kik's response --</p> <p>9 A. Correct.</p> <p>10 Q. -- to the Wells' --</p> <p>11 A. If I saw the document, I might -- it might</p> <p>12 refresh my memory.</p> <p>13 Q. Were you aware that -- prior to the</p> <p>14 complaint being brought by the SEC, were you aware</p> <p>15 that the SEC was conducting an investigation into Kik?</p> <p>16 MS. D'ALLAIRD: Objection.</p> <p>17 THE WITNESS: As far as I know, probably mid</p> <p>18 or late 2018, which maybe is what that Wells'</p> <p>19 notice, where -- where that comes in. I just am</p> <p>20 not familiar with the name "Wells' notice." At</p> <p>21 some point there the end of that year or the</p> <p>22 beginning of 2019, I saw -- saw the action coming</p> <p>23 about, but as for exact dates or other things,</p> <p>24 this wasn't a priority in my mind, so I don't</p> <p>25 recall specifically.</p>	<p style="text-align: right;">Page 48</p> <p>1 A. Yes.</p> <p>2 Q. And did you have that discussion?</p> <p>3 A. We did.</p> <p>4 Q. And when you had that discussion, was -- was</p> <p>5 that discussion on Friday, September 6th?</p> <p>6 A. I'd have to pull out my calendar to make</p> <p>7 sure, but I believe so.</p> <p>8 Q. And who was on -- who was on -- was it a</p> <p>9 telephone call?</p> <p>10 A. It was.</p> <p>11 Q. And who was on the telephone call?</p> <p>12 A. It was myself, Laura, and I think there was</p> <p>13 one other attorney, but I don't recall a name.</p> <p>14 Q. Okay. And was that Mr. Mendel?</p> <p>15 A. I'd have to look at my calendar probably</p> <p>16 to --</p> <p>17 Q. Okay.</p> <p>18 A. -- see the name.</p> <p>19 Q. Do you -- do you recall the names --</p> <p>20 A. It was a male.</p> <p>21 Q. Yeah. Do you recall the name Steve</p> <p>22 Schlegelmilch?</p> <p>23 A. That doesn't -- doesn't ring a bell for that</p> <p>24 call, but, again, I'd look -- for truth, I'd just look</p> <p>25 at my calendar.</p>

<p style="text-align: right;">Page 49</p> <p>1 Q. Okay. How about -- you had a calendar in 2 which this was reflected? 3 A. I mean, just my personal calendar. 4 Q. Just throw some other names out there. Was 5 it Jeffrey Leasure? 6 A. I don't think so. 7 Q. Okay. James Murtha? 8 A. Say that again. 9 Q. Murtha? 10 A. I don't think so. 11 Q. Okay. The -- and so -- but there was two 12 people from the SEC and you on -- on the phone. So 13 what was -- when you got on the phone, what did the 14 SEC say to you? 15 A. It was just a discussion of this matter and 16 what my involvement was and whether I had invested 17 and, you know, general questions around that. 18 Specific questions, I don't recall. 19 Q. So the question is whether you had invested? 20 A. I -- I'm sure that was a question, and 21 then -- yeah, I mean, I don't recall the specific 22 questions. 23 Q. I mean, but generally, I mean, other than 24 whether you invested, was there any other questions 25 that they asked of you?</p>	<p style="text-align: right;">Page 51</p> <p>1 when I talked to Jenna and, you know, y'all's side. 2 It was the same conversation, it seems like, but it 3 was just about, you know, when I invested, why I 4 invested, whether I'd be willing to participate in 5 this type of action, and then just stuff surrounding 6 that. As for the exact questions and things, I 7 don't -- I just don't recall. 8 Q. And let's -- and, again, I appreciate that. 9 A. Yeah. 10 Q. That's what I'm trying to get at. And with 11 regard to whether you'd be willing to participate, do 12 you -- do you recall exactly what the SEC asked in -- 13 in connection with that? 14 A. I mean, I think from my recollection, it was 15 just simply a question like that, like would -- you 16 know, would I be willing to participate in -- you 17 know, in a -- being a witness or a deposition, doing a 18 deposition. 19 Q. And so it was whether you -- and, again, I 20 apologize. I'm just trying to get as much detail as I 21 can. 22 A. Yeah. 23 Q. Did they ask you whether you'd be willing to 24 be a witness in a deposition? 25 A. I'm not -- I don't -- I know y'all did. I</p>
<p style="text-align: right;">Page 50</p> <p>1 A. I mean, it was probably a 30-minute call, I 2 believe, 20 to 30 minutes, and it would have been 3 around this -- you know, we were talking about this 4 particular action and, you know, why I had invested 5 and just that sort of decision-making. 6 Q. What -- what, if anything, do you recall 7 them saying about the action? 8 A. I -- I don't recall anything specific. 9 Q. Do you recall anything generally about what 10 they said about the action? 11 A. Not really. 12 Q. Yeah, and by the way, I'm just -- I mean, 13 I'm trying to -- 14 A. Yeah. 15 Q. -- you had a 30-minute discussion with the 16 SEC. 17 A. Right. 18 Q. I'm trying to find out what you said to the 19 SEC, and I assume -- 20 A. Yeah, it's -- 21 Q. -- there's nothing, I mean, that -- 22 A. Yeah, it would be -- 23 Q. -- sensitive here, I mean. 24 A. Correct, no, and I'm not protecting 25 anything. It would be similar to what I discussed</p>	<p style="text-align: right;">Page 52</p> <p>1 don't quite recall the two -- the two conversations 2 kind of merged in my head 'cause they were close 3 together. I -- I don't -- I can't for certain say 4 yes. 5 Q. Did they ask you whether you -- did they 6 ever mention identifying you as a potential witness in 7 the matter? 8 A. I believe -- 9 MS. D'ALLAIRD: Objection. 10 THE WITNESS: I believe so. 11 BY MR. CADIGAN: 12 Q. And did they ever ask you about whether 13 you'd be willing to testify at trial? 14 MS. D'ALLAIRD: Objection. 15 THE WITNESS: I don't think so. 16 MR. CADIGAN: What's the objection? 17 MS. D'ALLAIRD: Asked and answered. 18 BY MR. CADIGAN: 19 Q. And what did -- what, if anything, did the 20 SEC tell you about the action? 21 MS. D'ALLAIRD: Objection, asked and 22 answered. 23 THE WITNESS: I mean, I -- again, I don't 24 completely recall. I have lots of phone calls, 25 and this one was -- I -- I just didn't -- I don't</p>

<p style="text-align: right;">Page 53</p> <p>1 recall the details. 2 BY MR. CADIGAN: 3 Q. Yeah. 4 A. Yeah. 5 Q. And by the way, I -- again, I'm just trying 6 to get your memory of this. 7 A. Okay. 8 Q. So if you don't recall, I -- I really don't 9 want you guessing. 10 A. Okay, good. 11 Q. And, I mean, you have a memory of the call, 12 however. 13 A. Yes. 14 Q. Correct? And do you remember telling them 15 why you invested in Kik? 16 A. Yeah, I -- I discussed that, I'm quite 17 certain, on that call and the call with y'all, 'cause, 18 again, those two calls in my head are just kind of 19 merged, so I'm -- I'm a little timid to say what I'm 20 sure I talked with the SEC about versus what I talked 21 to Jenna about because there were lots of the same 22 questions around the same time, and I'm not sure -- I 23 just don't want to say something that one side said 24 and the other -- 'cause those two calls are kind of 25 merged in my head.</p>	<p style="text-align: right;">Page 55</p> <p>1 marked as Exhibit 239. 2 A. Uh-huh, yeah. 3 Q. It's an email, the last-in-time email dated 4 September 19th, 2019, from Ms. D'Allaird to yourself. 5 Is that -- do you recognize this document? 6 A. Yes. 7 Q. And this -- the last -- the last email 8 indicates that there was a -- an attempt to set up 9 another call, you know, a couple weeks after your -- 10 your first call. 11 A. Correct. 12 Q. Did you have this -- this second call that's 13 referenced in the email? 14 A. I believe we did. That's what I was 15 referencing a moment ago, but I think it was around 16 finding a time to talk or to do the deposition or 17 to -- that's what the substance of that call was, yes. 18 Q. Okay. So, and on this -- this second call, 19 who was on that call? 20 A. I'm not sure. I think it was just Laura. 21 Q. Okay. And by "Laura," you mean 22 Ms. D'Allaird? 23 A. Yes. 24 Q. And how long was that call? 25 A. A few minutes.</p>
<p style="text-align: right;">Page 54</p> <p>1 Q. Well, and that's why I definitely -- if you 2 don't recall, which is -- which I want -- I want to be 3 very clear about that, and we -- we'll ask you, you 4 know -- 5 A. Okay. 6 Q. -- your reasons for purchasing Kin. I just 7 wanted -- and was there a subsequent call on -- that 8 you had with the SEC? 9 A. I believe we had a short call sometime later 10 that was really just around setting up this 11 deposition. 12 MS. D'ALLAIRD: Just to clarify -- I'm 13 sorry, Counsel, clarify for the record, are you 14 asking about a subsequent call with the SEC or 15 with -- 16 MR. CADIGAN: Yes, with the SEC. 17 MS. D'ALLAIRD: -- with Cooley? 18 MR. CADIGAN: With the SEC. 19 THE WITNESS: Yeah, I -- I think we had 20 this -- I think I already answered it, yeah. 21 MR. CADIGAN: I next want to -- actually, 22 can we have this marked as Exhibit 239? 23 (EXHIBIT 239 WAS MARKED FOR IDENTIFICATION) 24 BY MR. CADIGAN: 25 Q. And I'm putting before you what's been</p>	<p style="text-align: right;">Page 56</p> <p>1 Q. And what was the -- the substance of that 2 call? 3 A. Again, I believe it was just to talk about 4 finding a time to schedule a deposition or a 5 discussion. 6 Q. By the way, for this call and for the prior 7 call, did you take notes of the call? 8 A. No. 9 Q. Did you have any other discussions with 10 the -- the SEC? 11 A. I do not believe so -- 12 Q. So other -- 13 A. -- other than the emails provided. 14 Q. Yeah, other than the emails that you've 15 provided and other than the two calls that you 16 mentioned, you've had no other discussions with the 17 SEC? 18 A. I don't think so. There may have been 19 another short call, but I don't think so. 20 Q. Did you have any discussions with the SEC 21 regarding your testimony at the deposition today? 22 A. No. 23 Q. Did you have any discussions with the SEC 24 about compensation for your time preparing for your 25 deposition today?</p>

<p style="text-align: right;">Page 57</p> <p>1 A. I -- I do not believe so.</p> <p>2 Q. Are you on any understanding that the SEC</p> <p>3 will be compensating you for your time preparing for</p> <p>4 your deposition today?</p> <p>5 A. I don't -- I wish, but I don't think so.</p> <p>6 Q. Have you had any discussion with the SEC</p> <p>7 regarding compensation for the time you're spending at</p> <p>8 the deposition today?</p> <p>9 A. No.</p> <p>10 Q. Any discussion regarding reimbursement of</p> <p>11 any expenses?</p> <p>12 A. No.</p> <p>13 Q. Okay. Have you any -- had any discussion</p> <p>14 with the SEC about appearing as a witness at trial in</p> <p>15 this matter?</p> <p>16 A. I think we -- I think we answered this</p> <p>17 already, but no.</p> <p>18 MS. D'ALLAIRD: Just going to interject</p> <p>19 objection again, asked and answered.</p> <p>20 MR. CADIGAN: I believe I asked him about</p> <p>21 the first -- the first call, but I haven't asked</p> <p>22 him about any --</p> <p>23 THE WITNESS: Oh, okay.</p> <p>24 MS. D'ALLAIRD: Oh, then I didn't understand</p> <p>25 that. If you're asking about the next call, then</p>	<p style="text-align: right;">Page 59</p> <p>1 A. Correct.</p> <p>2 Q. And that was the only communications that</p> <p>3 you recall?</p> <p>4 A. Yeah, I -- I think I mentioned that there</p> <p>5 may have been one more, and this does jog my memory,</p> <p>6 there was one more.</p> <p>7 Q. Now, in this email, you had sent her an</p> <p>8 email, Ms. D'Allaird an email on December 30th, 2019.</p> <p>9 Correct?</p> <p>10 A. Correct.</p> <p>11 Q. And you had indicated that Kik's attorneys</p> <p>12 had reached out to you. Is that right?</p> <p>13 A. Correct, yes.</p> <p>14 Q. And then you ask, Can the SEC provide some</p> <p>15 legal protection during this deposition as to</p> <p>16 objections to form and the like since I'm an SEC</p> <p>17 witness.</p> <p>18 A. Correct.</p> <p>19 Q. (Reading) Concerned they may attempt to harm</p> <p>20 my credibility in a case that may end up widely</p> <p>21 followed.</p> <p>22 Is that what you asked -- is that what you</p> <p>23 wrote, rather?</p> <p>24 A. Correct.</p> <p>25 Q. And then Ms. D'Allaird got back to you and</p>
<p style="text-align: right;">Page 58</p> <p>1 go ahead.</p> <p>2 THE WITNESS: Sorry, at no point, I don't --</p> <p>3 at no point during any call has a -- has a</p> <p>4 discussion about me appearing in trial come up</p> <p>5 that I recall.</p> <p>6 MR. CADIGAN: Can we have marked as the next</p> <p>7 exhibit 240?</p> <p>8 (EXHIBIT 240 WAS MARKED FOR IDENTIFICATION)</p> <p>9 BY MR. CADIGAN:</p> <p>10 Q. Okay. I'm putting before you a document</p> <p>11 that's been marked as Exhibit 240. It's an email</p> <p>12 chain, the last in time which is dated December 30,</p> <p>13 2019, from Ms. D'Allaird to yourself. Do you see</p> <p>14 that?</p> <p>15 A. Yes.</p> <p>16 Q. Do you recognize this chain?</p> <p>17 A. I do, yes.</p> <p>18 Q. And before in Exhibit 239, you had</p> <p>19 indicated -- or rather, this -- this referenced the</p> <p>20 second discussion with the SEC. Is that right?</p> <p>21 A. Say again.</p> <p>22 Q. In Exhibit 239 it referenced a second</p> <p>23 discussion that you had --</p> <p>24 A. Correct.</p> <p>25 Q. -- that was scheduled with the SEC. Right?</p>	<p style="text-align: right;">Page 60</p> <p>1 sought to schedule a -- a phone call with you. Is</p> <p>2 that right?</p> <p>3 A. Correct.</p> <p>4 Q. Again, did you have that -- that</p> <p>5 discussion --</p> <p>6 A. I think, yeah.</p> <p>7 Q. -- with Ms. D'Allaird?</p> <p>8 A. Now I remember it, and that one -- that one</p> <p>9 specifically was around this question, and they</p> <p>10 provided the confidentiality documents to show that I</p> <p>11 could -- if there were certain items that needed to be</p> <p>12 confidential, that I could state that and they'd be</p> <p>13 maintained confidential, and that's what that</p> <p>14 conversation was about. I had forgotten about that.</p> <p>15 Q. Did the SEC provide you with -- with</p> <p>16 something?</p> <p>17 A. With the confidentiality agreement that was,</p> <p>18 I believe, filed in this case.</p> <p>19 Q. So actual -- let's just start with the</p> <p>20 discussion. When did -- did you have a discussion</p> <p>21 with Ms. D'Allaird on or about Monday, December 30th?</p> <p>22 A. Yes, within a couple days after.</p> <p>23 Q. And how -- what's that?</p> <p>24 A. I said within a -- with -- around that time,</p> <p>25 yes.</p>

<p style="text-align: right;">Page 61</p> <p>1 Q. And how long was that discussion? 2 A. Maybe five minutes. 3 Q. And -- and what was said on that -- in that 4 discussion? 5 A. Basically that the SEC couldn't provide -- 6 that if I needed counsel, I'd have to provide my own 7 counsel, which is why I called Jason to ask him if I 8 needed counsel, and then that there would, at least, 9 be this confidentiality agreement that was filed, or I 10 don't know what the term is, but something that 11 provided the ability to label certain items 12 confidential if we didn't want them released. 13 Q. And was it -- when you called Jason, the 14 attorney, was that the -- that was the first time you 15 had reached out to him? 16 A. After this, correct. 17 Q. After this discussion? 18 A. Correct, 'cause I didn't want to spend the 19 money on an attorney. It's the ... 20 Q. Yeah. Okay. I want to shift gears here for 21 a second and turn to the topic of cryptocurrencies. 22 A. Okay. 23 Q. When was -- when did you first become aware 24 of Bitcoin? 25 A. Maybe 2013 or '12, something like that.</p>	<p style="text-align: right;">Page 63</p> <p>1 THE COURT REPORTER: I mined? 2 THE WITNESS: Ethereum, E-T-H-E-R-E-U-M, and 3 other tokens, so I don't know what the equivalent 4 in Bitcoin would be, but it -- it may have broken 5 even overall. 6 BY MR. CADIGAN: 7 Q. You mean that the -- about 2 -- you made 8 about \$2,000 in your mining activities to offset 9 the -- 10 A. Probably, yes, 'cause of the electrical 11 cost. I did it in Michigan because it heated my 12 apartment for free. 13 Q. Did you ever buy -- well, start with Bitcoin 14 for a second. Did you ever -- did you ever buy any 15 Bitcoin? 16 A. At some point I probably bought some on 17 Coinbase, but not a significant amount. 18 Q. Do you recall approximately how much in 19 dollar figures -- 20 A. Maybe -- 21 Q. -- at the time? 22 A. Maybe a thousand dollars, total, over -- I 23 mean, over forever, maybe a thousand dollars. 24 Q. And did you ever sell any Bitcoin? 25 A. Yes. Approximately how much, mostly it was</p>
<p style="text-align: right;">Page 62</p> <p>1 Q. And how did you come to be aware of Bitcoin? 2 A. Probably the news, or I think I saw an 3 article on Yahoo way back then. 4 Q. And did at some point you start -- start 5 mining Bitcoin? 6 A. Correct. 7 Q. And when did you do that? 8 A. After that, at some point after that, so 9 maybe 2013 through '15. 10 Q. And did you make any investments in -- in 11 computer equipment or the like in order to -- 12 A. Yes. 13 Q. -- to mine Bitcoin? 14 A. Yes. 15 Q. About how much did you spend to invest in 16 equipment to do that? 17 A. Probably 2,000 to \$3,000 to buy GPUs and 18 computer motherboards and that stuff. 19 Q. And over what time did you mine Bitcoin? 20 A. 2013 to '15, approximately. 21 Q. And about how much Bitcoin did you mine 22 during that period? 23 A. Oh, I have no idea 'cause I didn't mine 24 Bitcoin specifically. I mined Ethereum or other 25 things, and so I --</p>	<p style="text-align: right;">Page 64</p> <p>1 to pay taxes. So, I mean, over the -- do you want sum 2 totals now? 3 Q. Yeah, sure. 4 A. Okay. So, I mean, over -- because I can't 5 separate out by year in my head, but probably over -- 6 from 2012 to now, the value of -- had kind of peaked 7 back in 2017 or '18, and it -- I don't know how to 8 define this because I -- if you would -- if you 9 include the Kin token values and stuff, it messes 10 everything up, but I -- I probably cashed out about 11 \$250,000 over that whole time, and about 200,000 of 12 that was paid in taxes. 13 Q. But \$250,000 in Bitcoin? 14 A. Which token was cashed out, I'm not sure, 15 but through Coinbase, so it may have been selling of 16 Ethereum or Bitcoin or some other item on Coinbase. 17 Q. Okay. Well, and we can -- so I want to get 18 a sense of the other cryptocurrency so we have a sense 19 of the universe, but before we do that, just so I have 20 a sense of your involvement with blockchain and 21 cryptocurrencies, have you ever spoken on any panels 22 regarding blockchain technology? 23 A. I did one which was the -- so I guess I've 24 done maybe one panel, which was the one in Atlanta 25 that -- I think it's on the LinkedIn page, the</p>

<p style="text-align: right;">Page 65</p> <p>1 Patientory panel a couple of years ago, speaking about 2 using it for -- for medical device security purposes, 3 so it was more about blockchain than cryptocurrency. 4 I've never spoken on cryptocurrencies, but I have on 5 blockchain. 6 Q. And where -- where was -- when was this 7 panel? 8 A. Atlanta -- it's in the LinkedIn reference, I 9 believe. 10 Q. Okay. 11 A. Patientory, May 2018 in Atlanta, Georgia, on 12 the front page of that. 13 Q. But you -- you've never -- you've never 14 spoken on any panels on cryptocurrencies? 15 A. Correct. 16 Q. What about blog posts, have you -- have you 17 done any blog posts on cryptocurrencies? 18 A. I don't think I've ever written a blog post 19 at all, so. 20 Q. On any topic? 21 A. On anything, I don't believe. 22 Q. What about social media? Have you -- have 23 you made -- put any -- made any social media posts 24 regarding blockchain technology? 25 A. I probably made some post related to</p>	<p style="text-align: right;">Page 67</p> <p>1 social media regarding blockchain or cryptocurrencies 2 anonymously or through a pseudonym? 3 A. I do not believe so, no. 4 Q. And so when we turn to your activity with 5 cryptocurrencies, and you had mentioned Coinbase, when 6 did you -- first of all, what is Coinbase? 7 A. A way to convert fiat currency into 8 cryptocurrencies. 9 Q. And when did you first start using Coinbase? 10 A. Probably within a year of when it started, 11 so maybe 2013. 12 Q. And have you used any other exchanges? 13 A. Yes, I've used -- I used Bittrex for a 14 while, B-I-T-T-R-E-X, and then I had an account at 15 Binance. I don't think I ever traded on Binance. I 16 used Mint -- MintPal before it got robbed and Cryptsy 17 before the firm ran off with everyone's money -- 18 sorry, before Vern ran off with everyone's money -- or 19 Vern. I think that's all. 20 Q. Again, how did you come to choose those 21 exchanges? 22 A. Just, they were trustworthy and pretty 23 widely regarded with some transparency of ownership, 24 too. 25 Q. Okay. We've been going a bit. Can we take</p>
<p style="text-align: right;">Page 66</p> <p>1 blockchain or cryptocurrency, but not as an influencer 2 status, just as me sharing a news article or 3 something, but I -- I would not be able to recall what 4 they were. 5 Q. Have you posted anything -- and, actually, 6 how -- do you have -- do you have any -- do you post 7 regularly on a particular social media site? 8 A. No, no. Less than once a week. 9 Q. Okay. On what -- on what site? 10 A. Probably LinkedIn. Yeah, I don't use 11 Facebook anymore, and then I never use Twitter, so 12 LinkedIn. 13 Q. And -- and so on -- LinkedIn would be the 14 only social media site that you would post on? 15 A. Correct. 16 Q. Do you -- do any of your entities have a 17 Twitter page or, I mean, a Twitter site or -- 18 A. Not really. Mostly LinkedIn. 19 Q. -- Twitter account? Sorry. 20 A. Yeah, I mean, I have a Twitter account. I 21 don't think any of the entities have a -- there's 22 definitely not any active Twitter account from -- 23 Q. Yeah. 24 A. -- from any of them. 25 Q. Okay. And have you ever posted anything on</p>	<p style="text-align: right;">Page 68</p> <p>1 a break? 2 A. Yes. 3 THE VIDEOGRAPHER: The time is 11:28 a.m. 4 We're going off the record. 5 (RECESS TAKEN) 6 THE VIDEOGRAPHER: The time is 11:38, and we 7 are on the record. 8 MR. CADIGAN: Are we all set? Okay. 9 BY MR. CADIGAN: 10 Q. So going back to Bitcoin, what prompted you 11 to be -- to have involvement with Bitcoin? 12 A. It was a fun -- building the rig was a fun 13 technical challenge, and I always like building, you 14 know, computer stuff, so it's a fun technical 15 challenge that might earn some money. 16 Q. And did you do any research into Bitcoin 17 before you did it? 18 A. I'm sure I read plenty, but I don't recall 19 specifically what I read. 20 Q. Okay. And then -- and then you mentioned 21 also that you mined Ether. Right? 22 A. Correct. 23 Q. When did you first become aware of Ether? 24 A. I remember when Vitalik -- when it first 25 came out as -- I believe it was an ICO when it first</p>

<p style="text-align: right;">Page 69</p> <p>1 came out, but I didn't participate in that. I 2 remember when it -- when that came out, but it was 3 just another token at that time. 4 Q. But at some point you started mining Ether 5 as well. Right? 6 A. Right, because you couldn't mine Bitcoin 7 with GPUs, and I made a GPU rig. 8 Q. And -- and did you ever buy any Ether? 9 A. Yeah. I bought -- maybe early 2017 or in 10 20 -- 2016 or '17, I bought probably \$15,000 worth of 11 Ether, just direct purchase. 12 Q. And you did that on Coinbase? 13 A. I believe so, yes. 14 Q. And why did you do so? 15 A. It just seemed like Ethereum was -- they 16 were building the consortium with Microsoft and they 17 were -- looked like the use case for Ether wasn't just 18 as a currency. It was a -- a platform, and it had a 19 lot of -- a great foundation backing it, lots of 20 support, and Vitalik, who is amazing. 21 Q. And what -- so what research did you do into 22 Ether before you purchased? 23 A. I mean, I -- I just -- I read every day 24 news, so I just, over time, had read about it. 25 Nothing in particular, specific that I recall.</p>	<p style="text-align: right;">Page 71</p> <p>1 A. No, over time. 2 Q. And what prompted your sales? 3 A. Paying taxes. 4 Q. Any -- any other reasons? 5 A. Not really. 6 Q. And was it always to coincide with the 7 payment of taxes? 8 A. Basically. There may have been 20,000 at 9 some point to pay credit card or something, but 10 basically the -- 90 percent was to pay taxes. 11 Q. And when you chose which -- which 12 cryptocurrencies to sell to pay taxes, how did you go 13 about choosing which one to sell? 14 A. At the time, Coinbase -- it was through 15 Coinbase, so it was basically what tokens could you 16 sell on Coinbase, which at the time there weren't many 17 choices, so basically that. 18 Q. And from the period starting in 2000 -- the 19 start of 2017 to the present, have you -- have you 20 actively followed cryptocurrency market -- actually, 21 let me step back. 22 Have you followed -- have you -- well, 23 first, let me -- let me ask that question. Have you 24 followed the cryptocurrency market actively since 25 2017?</p>
<p style="text-align: right;">Page 70</p> <p>1 Q. So do you -- you don't recall actually going 2 out to -- to do directed research on Ether before 3 purchasing it? 4 A. Not specifically. I had read about it 5 slowly over time, but it had been out for a long time. 6 It had probably been out two years, three years before 7 I purchased any. 8 Q. And do you still hold Ether? 9 A. Yes. 10 Q. And have you sold Ether since you've 11 purchased it, any -- 12 A. Yes. 13 Q. -- any Ether? 14 A. I would -- I would include that in that sort 15 of 250 total that I said I sold. Some of that would 16 have been Ether, yes. 17 Q. And just to be clear, you mentioned selling 18 approximately 250,000 -- 19 A. Correct. 20 Q. -- dollars worth of -- of cryptocurrencies, 21 and that includes all the cryptocurrencies that 22 you've -- 23 A. Correct. 24 Q. -- purchased? Did you do that in one large 25 sale or over time?</p>	<p style="text-align: right;">Page 72</p> <p>1 A. I check once a month or so, not -- not as 2 actively as I used to be, but I still check maybe once 3 a month on prices, on -- I read CoinDesk, the top 4 news, but about once a month probably. 5 Q. So you -- once a month you check your -- 6 your CoinDesk account? 7 A. So I check Coinbase -- 8 Q. I mean Coinbase account, yeah. 9 A. -- account and then look at some CoinDesk or 10 somewhere sort of for news. 11 Q. Uh-huh. And do you still have active 12 accounts at the other exchanges? 13 A. I don't think my Bittrex one is active or 14 Binance. The only one I've logged into in a year or a 15 year-and-a-half is Coinbase. 16 Q. So actually -- and you had mentioned 17 Bittrex. When did you have a Bittrex account? 18 A. From probably 2015, maybe, or '14 through -- 19 and the last time I logged in was a year-and-a-half or 20 so ago. 21 Q. But do you still have that account? 22 A. Maybe. I -- you can't technically close it, 23 so I guess it's still technically an account. 24 Q. Do you have -- do you have any crypto- 25 currencies in that account?</p>

<p style="text-align: right;">Page 73</p> <p>1 A. I don't think so. I think I moved 2 everything out. That's why I haven't logged in. 3 Q. Okay. What about Binance? What -- during 4 what period did you have an account? 5 A. I don't know. That would have been for 6 maybe a week when I logged in to try to check it out. 7 I don't -- I -- it was never a very active account, 8 and I don't think I have anything in there. I hope I 9 don't have anything in there. 10 Q. And when was that? 11 A. Maybe 2017. 12 Q. And what about MintPal? 13 A. That would have been further back. Exact 14 dates, I don't know, but I had an account until it 15 got -- like, Mula or someone bought it and then took 16 all the money, so I had an account at that point. 17 Q. But, I mean, do you recall what period you 18 started? 19 A. I'd say I had an account there for probably 20 two years before that event, so whenever that event 21 was, two years -- I had an account for maybe two 22 years. 23 Q. And then Cryptsy, when did you have that 24 account? 25 A. Again, about the same timing as MintPal, so</p>	<p style="text-align: right;">Page 75</p> <p>1 Ripple? 2 A. You're going to get into a lot of generic 3 answers because if -- there's a lot of cryptocurrency 4 that I'm not going to recall, but I would say for most 5 other cryptocurrencies, the alt currencies, I'd call 6 them, from 2014 or '15 through '17, I was paying 7 attention or watching them. 8 Q. And I -- and I do apologize, but I do -- I 9 do want to ask you about the other cryptocurrencies. 10 A. Okay. 11 Q. But in case any of these are different -- 12 A. Okay. 13 Q. -- what prompted you to buy Ripple? 14 A. I bought it during the price spike for a 15 short trade back in 2017 or '16. 16 Q. And what do you mean by that? I mean, 17 when -- when the Ripple price spiked, you purchased at 18 that time? 19 A. Just when the whole cryptocurrency space was 20 exploding there for six months to a year, I traded 21 pretty actively between tokens. 22 Q. And what do -- I mean, just so we have -- we 23 have an understanding, what do you consider that 24 period to be when the cryptocurrency market was most 25 active?</p>
<p style="text-align: right;">Page 74</p> <p>1 about two years before Cryptsy, you know, disappeared. 2 Q. Had you ever -- have you ever tried to sell 3 a token on a -- on an exchange other than Coinbase? 4 A. For fiat currency, you mean convert it to 5 cash? 6 Q. Or just -- just to sell it -- I mean, 7 dispose of it in any -- in any -- 8 A. Convert it between cryptocurrencies, yeah, 9 those exchanges we just discussed. 10 Q. You've -- you've done that on those 11 exchanges? 12 A. Yes. 13 Q. During what period? 14 A. The whole, up until -- yeah, I haven't 15 traded hardly anything in a year or so, but up -- from 16 2013 and through then, throughout that time period. 17 Q. And so on those exchanges, you would 18 exchange cryptocurrencies you had for other crypto- 19 currencies? 20 A. Correct, yes. 21 Q. And I -- just going through some of the 22 other -- the other cryptocurrencies that you 23 purchased, did you own any Ripple? 24 A. Yes. 25 Q. Okay. When did you first become aware of</p>	<p style="text-align: right;">Page 76</p> <p>1 A. It was whatever year that it was going up 2 through December. I think that was '17. 3 Q. So 2017 is the best of your memory? 4 A. Yeah, I believe that's -- yeah, and if you 5 look at a graph, you'll -- we can validate. 6 Q. And just to be clear -- and you may have 7 already answered this -- but to be clear, was there 8 anything about -- did you do any research into Ripple 9 prior to purchasing? 10 A. Again, those that had been around a long 11 time, I had been reading about, and I've been in the 12 space and reading a lot about many alt currencies. 13 So, you know, I had read about them. I was very 14 active. I read CoinDesk twice a day from 2015 through 15 '17 or something. I just -- nowadays I don't do it 16 much, but yes, I mean, it had been a slow learn over 17 years. 18 Q. And what was it about Ripple in particular 19 that caused you to buy? 20 A. Oh, nothing. I don't like Ripple. It was 21 just a quick trade. 22 Q. So you made -- you made that trade 23 without -- I mean, there was nothing about Ripple in 24 particular that caused you to buy that -- 25 A. No, that was a --</p>

<p style="text-align: right;">Page 77</p> <p>1 Q. -- trade -- purchase it? 2 A. That was a short term. In the words of Jim 3 Cramer, that was a trade, not an investment. 4 Q. And what do you mean by that? I mean, you 5 chose to -- to acquire some Ripple. Right? 6 A. Yeah, to get rid of it shortly thereafter at 7 a higher price. 8 Q. Oh, so you -- you saw it spiking -- 9 A. Yes. 10 Q. -- at that time? So you -- it was -- it was 11 more the momentum of Ripple -- 12 A. Correct. 13 Q. -- than anything else that caused you to 14 purchase? 15 A. Correct. 16 Q. Did you do any other research into Ripple 17 prior to making the purchase? 18 A. Again, other than having kept up with many 19 different currencies, including Ripple, for years, 20 nothing specifically at that time, no. 21 Q. Okay. Were there any other cryptocurrencies 22 that you purchased because you saw that the -- the 23 token value was rising and you wanted to make a -- a 24 quick profit? 25 A. Yeah, during that year, I traded pretty</p>	<p style="text-align: right;">Page 79</p> <p>1 minutes. I probably can recall them, but it's been a 2 while, and I can't recall them off the top of my head. 3 Q. Okay. Do any -- do any come to your -- to 4 mind right now? 5 A. If you listed some and they -- I could 6 probably tell you. 7 Q. Okay. How about -- how about Monero? 8 A. I don't think I ever traded Monero. 9 Q. What about Litecoin? 10 A. I did Litecoin, yes. 11 Q. Okay. And do you recall -- and you 12 purchased some Litecoin? 13 A. Correct. 14 Q. Okay. Well, do you recall why you purchased 15 Litecoin? 16 A. Momentum. 17 Q. Anything -- any other reason? 18 A. I mean, Dan Lee or, you know -- they had a 19 leader who was pushing hard and getting it attention 20 and, you know, hopefully getting it into more use, but 21 it had been around a long time, so. And it basically 22 followed Bitcoin. 23 Q. As a general matter, to what extent did 24 price momentum affect your decisions to purchase 25 cryptocurrencies?</p>
<p style="text-align: right;">Page 78</p> <p>1 actively between different cryptocurrencies, 2 alternative cryptocurrencies, switching between them 3 frequently, but only with ones that I knew that at 4 least there was some foundational -- I didn't trade 5 into what I call junk coins that were -- that had no 6 substance. Even the trades I made were on somewhat 7 legitimate coins that had been around for a while. 8 Q. But, I mean, can you identify any others 9 where, I mean, the primary reason you purchased was 10 that its price seemed to be rising and you wanted to 11 make a quick profit? 12 A. I'm trying to think of specifics. I mean, 13 there are probably 10 or 20 of them. If you come 14 back, I'll think about it and try to come back with 15 examples of other ones, but yes, there are -- there 16 would have been other ones similar to Ripple. 17 Q. You said there were 10 or 20. You mean you 18 purchased as many as 10 or 20 different crypto- 19 currencies? 20 A. Trading sort of some of the same money 21 between them, yes. 22 Q. And I really don't want to make this a 23 memory test, but can you -- can you identify the 24 cryptocurrencies that you recall? 25 A. I said I'd have to think about it for a few</p>	<p style="text-align: right;">Page 80</p> <p>1 A. Well, it depends on if it was an investment, 2 like Ethereum was more of an investment. I'd hold it 3 for a long time. These were more trades, so these 4 were more about if it started sinking, I'd get out. 5 Like, I -- I wasn't going to ride the wave down 6 because I didn't believe in the -- these were trades. 7 Q. But with respect to the -- and by -- by 8 "trades," you're -- when you're making trades, you're 9 exchanging one cryptocurrency -- 10 A. Correct. 11 Q. -- for another? It's a form of payment. 12 Right? 13 A. Correct. 14 Q. You're acquiring the cryptocurrencies? 15 A. Right, correct. 16 Q. And so when you -- other than Ethereum, to 17 what extent did momentum play a role, market momentum 18 play a role in your decisions to purchase crypto- 19 currencies? 20 A. Again, for the items that I was actively 21 trading, and by "actively trading," I mean, I meant to 22 hold no less -- no more than a week. They were 23 short-term trades. In those, it was almost purely 24 momentum except for on the back of some substance to 25 the entities. So, you know, if it was a brand new ICO</p>

<p style="text-align: right;">Page 81</p> <p>1 with momentum, I still wouldn't touch it. It had to 2 have been an entity that had been around for a while 3 that caught some momentum. 4 Q. What about in the case of Litecoin, had you 5 done any research into Litecoin prior to -- 6 A. Same as Ripple, I've been following it for 7 years, but nothing in particular. 8 Q. So you knew that it had been around for a 9 while? 10 A. Correct. 11 Q. But there was nothing in particular other 12 than that, that it stood out to you? 13 A. Not really, no. 14 Q. What about Augur? 15 A. I don't even remember what -- I don't quite 16 remember Augur, so I don't think I've -- I don't think 17 I've traded that. 18 Q. Yeah. What about CloakCoin? 19 A. Yes. 20 Q. Why did you purchase or trade for CloakCoin? 21 A. They've been around a long time, a pretty 22 small market cap, but pretty active development team, 23 doing something that I thought would have some value, 24 which is, you know, untraceable, you know, or -- I 25 guess that's the right word, untraceable transactions.</p>	<p style="text-align: right;">Page 83</p> <p>1 CloakCoin, but, again, they've been around a long 2 time, and, you know, I've used their, you know, wallet 3 and tested it and checked for it, how well it worked, 4 and solved the problem they said they were solving, 5 which was making it untraceable, and so I did all 6 those things, so. 7 Q. As a general matter, did you -- did you 8 review -- make a point of reviewing the whitepaper 9 before acquiring a token? 10 A. Not for the trades, not if I was planning on 11 keeping something less than a week, I wouldn't read 12 the whitepaper. So like Litecoin and stuff, I've 13 never read their whitepaper, but I've followed their 14 progress. But for something like -- like CloakCoin, I 15 read theirs, and I think I read Ethereum's, but I'm -- 16 I don't know. It would have been eight years ago, so 17 I don't know. 18 Q. Do you recall any other whitepapers you've 19 read? 20 A. I mean, other than the Kin one, no. 21 Q. Other than the Kin one. 22 A. No. 23 Q. And what about Tether? 24 A. That's just -- that's just the U.S. dollar 25 token, I believe. As long as that's -- I think that's</p>
<p style="text-align: right;">Page 82</p> <p>1 So I thought that that was a good use, a good market, 2 a good -- a good use that people would buy it for, 3 but, again, I believed in the development team and 4 the -- and I still hold some of that one. That one I 5 still have as sort of an investment, even though it's 6 not been the greatest, but, you know, that one was a 7 small tranche of money, yeah. 8 Q. And so when you say "an investment," what 9 is -- what are you investing in that -- in that 10 context? 11 A. The development team, the -- you know, the 12 effort being put forth, the, you know -- you know, 13 I've -- I've tested the product. I've used the 14 product and believe in it. 15 Q. Okay. In your opinion, what is the value of 16 the -- of CloakCoin based on? 17 A. Just how many people want to use it. 18 Q. How much -- how many want to use the token? 19 A. Correct, yes. 20 Q. And did you do any research other than -- I 21 mean, any specific research into CloakCoin prior to 22 acquiring it? 23 A. I mean, I probably read their whitepaper, 24 but it had been -- this is -- so, I mean, this is five 25 years ago or something when I first started following</p>	<p style="text-align: right;">Page 84</p> <p>1 just the U.S. dollar token. That's basically pegged 2 to a dollar, so just a safe spot to sit your money, 3 so. 4 Q. I'm sorry, just going back to CloakCoin, how 5 much -- how much CloakCoin did you purchase? 6 A. I think like \$30,000 -- 7 Q. And how -- 8 A. -- at the time when I got it, I think. 9 Q. And how much CloakCoin do you currently own? 10 A. I still -- I still have whatever the number 11 of tokens I bought back then. 12 Q. And what about 0x? 13 A. I think I traded it at some point, but I 14 don't -- not as an investment. If I got into that, I 15 got -- no, sorry, no, no, 0x is a different one. I'm 16 thinking of a -- 0x, I did hold 0x for a while. I 17 don't really know why, honestly. I think -- I think I 18 bought it 'cause it was one of the first ones to get 19 added to Coinbase, and a lot of things when they get 20 added to Coinbase went up in value, so it was still 21 more of a momentum play than an investment. 22 Q. Uh-huh. Now, when you're researching 23 these -- these cryptocurrencies, to the extent you do, 24 do you keep a folder on each of them? 25 A. No, just ...</p>

<p style="text-align: right;">Page 85</p> <p>1 Q. You just keep it in your --</p> <p>2 A. I don't write anything.</p> <p>3 Q. I mean, but do you keep, you know, Twitter</p> <p>4 or PDFs or anything like that?</p> <p>5 A. No.</p> <p>6 Q. Okay. So that would be unusual for you to</p> <p>7 do so?</p> <p>8 A. Correct.</p> <p>9 Q. What about Stellar?</p> <p>10 A. I traded it. I don't think I own any of it,</p> <p>11 and I don't think -- I think I traded it. It was a --</p> <p>12 a trade. That's the Stellar Lumens, I believe. I</p> <p>13 think I traded it in and out. I don't think I own</p> <p>14 any.</p> <p>15 Q. What about the Patientory?</p> <p>16 A. Patientory?</p> <p>17 Q. Yeah, Patientory.</p> <p>18 A. Yeah, that was the only other ICO I ever</p> <p>19 invested in, but that one was because they were local,</p> <p>20 they're out of Atlanta, I had known of the girl,</p> <p>21 Chrissa McFarlane, who was -- and that's -- I ended up</p> <p>22 doing something on their panel, but -- and it's</p> <p>23 healthier, so it seemed to fit, so that's why I</p> <p>24 invested in -- in that one. I still expected to not</p> <p>25 hold it more than six months, though. Like, even when</p>	<p style="text-align: right;">Page 87</p> <p>1 is -- how is the token used in Patientory?</p> <p>2 A. I mean, I think they've -- I'm not quite</p> <p>3 sure anymore. The point where the time was, the token</p> <p>4 was going to be -- so if you -- with healthcare</p> <p>5 interoperability, when you transact your share</p> <p>6 information, they were going to get paid to sort of</p> <p>7 store and do the transaction. So it was basically the</p> <p>8 token was going to be the value of the</p> <p>9 interoperability of the piece, and then I think they</p> <p>10 changed now, so they might be trying to pay patients</p> <p>11 as well or something. I'm not sure. I haven't</p> <p>12 followed them in a year-and-a-half.</p> <p>13 Q. Do you know whether that -- that ICO was</p> <p>14 registered with the SEC?</p> <p>15 A. They were not. I'm pretty sure they were</p> <p>16 not. I don't think any of them were, to my</p> <p>17 recollection.</p> <p>18 Q. What is the value -- in your opinion, going</p> <p>19 into this -- this -- your decision to purchase -- I</p> <p>20 mean to participate in the Patientory ICO, what was</p> <p>21 your understanding of what the -- how the value of the</p> <p>22 Patientory token was going to be set?</p> <p>23 A. I mean, it was based on use. I mean, all</p> <p>24 these were, at least in theory, based on use, so if</p> <p>25 was more people used it, it would be worth more money.</p>
<p style="text-align: right;">Page 86</p> <p>1 I invested in it, it was still more of a -- little bit</p> <p>2 of a momentum investment, I'd say.</p> <p>3 Q. Uh-huh. And when did -- when did you -- and</p> <p>4 so you participated in their ICO?</p> <p>5 A. Correct.</p> <p>6 Q. Okay. And when was that?</p> <p>7 A. It was either 2016 or '17.</p> <p>8 Q. And how much did you buy?</p> <p>9 A. I believe 20,000 U.S. dollars' worth,</p> <p>10 something like that, but I don't recall completely.</p> <p>11 Q. And what research did you do into the coin</p> <p>12 before you purchased it?</p> <p>13 A. I don't think -- I may have read their</p> <p>14 whitepaper. I don't remember if I read their</p> <p>15 whitepaper. I looked at sort of -- a lot of that one</p> <p>16 was based off of where they were located. They were a</p> <p>17 U.S.-based company who had proximity local to me,</p> <p>18 transparency of who the ownership was, 'cause most of</p> <p>19 these things you don't know who the owner is, so</p> <p>20 knowing who's in charge, which was Chrissa, and she's</p> <p>21 in Atlanta and she's doing healthcare, and I thought</p> <p>22 the healthcare blockchain stuff was important. So</p> <p>23 I -- I don't think I read their whitepaper. Just all</p> <p>24 those pieces made sense to do it.</p> <p>25 Q. Did you -- what is -- what is the -- how</p>	<p style="text-align: right;">Page 88</p> <p>1 Q. Uh-huh. Okay.</p> <p>2 MS. D'ALLAIRD: Counsel, can you just</p> <p>3 clarify what you mean when you ask him about</p> <p>4 value, what you mean by value?</p> <p>5 BY MR. CADIGAN:</p> <p>6 Q. Do you understand what I mean by value?</p> <p>7 A. I think you mean its value to me in monetary</p> <p>8 terms.</p> <p>9 Q. Thank you. Overall, have you made or lost</p> <p>10 money on cryptocurrencies?</p> <p>11 A. Most of what I made went to taxes, but made</p> <p>12 a little.</p> <p>13 Q. And so let's turn now to Kik. Okay. And</p> <p>14 let's -- let's start with -- actually, let's start</p> <p>15 with Kin. When did you first hear about Kin, the Kin</p> <p>16 token?</p> <p>17 A. I guess early 2017, via -- probably through</p> <p>18 CoinDesk, some article on CoinDesk.</p> <p>19 Q. Do you -- I mean, as best you -- can you</p> <p>20 recall, what was the first reference to the Kin token</p> <p>21 that you recall?</p> <p>22 A. Just that, the best I could guess it would</p> <p>23 be, or that I think it was, was around, you know, this</p> <p>24 messenger company was going to create a token for --</p> <p>25 to transfer value or to transfer money or currency or</p>

<p style="text-align: right;">Page 89</p> <p>1 whatever between users of the platform and then to 2 expand it and do other pieces with it, but it was tied 3 to the messenger. The messenger was already in use. 4 Q. And that -- to the best of your memory, that 5 was your first understanding of the -- 6 A. Yeah. 7 Q. -- the Kin token? 8 A. It was basically -- yeah, because what I 9 remember is just, most of the ICOs, they're just no 10 substance. You know, when they release an ICO, 11 they've got a great idea, and it's like an early 12 startup that's got nothing to show, versus, you know, 13 Kik had a functioning messenger component, and it was 14 the first ICO I had seen that I thought actually had 15 legitimate venture backing in a legit -- like, it was 16 the least risky. So that's -- I just remember when I 17 read that article, that's why I said, Ooh, I'm going 18 to follow this. 19 Q. Uh-huh. And had you been aware of Kik prior 20 to reading that article? 21 A. Not really. I mean, I think I had heard the 22 name, but I never used it or anything. 23 Q. And obviously there -- there was a 24 reference, I mean, in the CoinDesk article you 25 indicated in about early 2017. What -- what more did</p>	<p style="text-align: right;">Page 91</p> <p>1 A. I mean, I read the whitepaper, and I read, 2 you know, the main points that I remember, you know, 3 that just -- you know, what led me to do it is the 4 only part I super remember, but was just, you know, 5 it's a -- it's a token that's pegged or pinned to a 6 legitimate company that's already raised venture 7 capital, like, people have checked them out, like -- 8 so you've got some trust there. They're not going to 9 run off with your money. 10 And then it's deflationary. They're not 11 going to make more tokens, so it's -- if more people 12 use it, it will be worth more money. And so then it's 13 just, you know, then they have to build out all the 14 pieces to the platform. And then there -- of course, 15 I don't think this was stated in the whitepaper or 16 anywhere initially, but the expectation is in the 17 cryptocurrency space, that if you're releasing an ICO 18 or releasing tokens, that you get on some exchange so 19 you're not locked into it for a long period of time. 20 So I don't know if that was in the 21 documentation anywhere. I mean, later it was in some 22 sort of messaging, but not in the whitepaper, so that 23 expectation was there, but not -- not specifically 24 stated. 25 Q. And a lot of what -- I mean, when did you --</p>
<p style="text-align: right;">Page 90</p> <p>1 you do to follow the Kin token thereafter? 2 A. I don't know if I -- I mean, there's a 3 chance that I registered. I don't even remember if 4 they had a registration to be kept in the loop or 5 something. Maybe I did, but I just kept my eyes open 6 on CoinDesk. 7 Q. Did you have an alert or anything like that 8 or? 9 A. Not like in a calendar or anything, no. 10 If -- it would have -- I may have, like, gone to the 11 web page and, like, put in my email address to be 12 notified or something. I just -- I don't remember. 13 Q. And so to be clear, you don't -- you don't 14 recall whether you did so or not? 15 A. Correct. 16 Q. And as we sit here today, you don't recall 17 receiving updates from the company regarding the Kin 18 token? 19 A. Up and -- not up and to the ICO, no, I don't 20 recall. 21 Q. So, I mean, at some point we'll get to that. 22 You do participate in the ICO? 23 A. Correct. 24 Q. And so as best you can recall, what did you 25 learn about the Kin token prior to the ICO?</p>	<p style="text-align: right;">Page 92</p> <p>1 when did you review the whitepaper? 2 A. I read that one before I invested, so I 3 don't know when, but before the date of the ICO. 4 Q. Do you recall how -- how long before? 5 A. I do not. It wasn't the morning of, but I 6 mean, it was -- it was prior, prior. 7 Q. What prompted you to -- as you indicated, 8 you don't -- you don't always look at the 9 whitepaper -- or rarely look at the whitepapers for -- 10 A. Right. 11 Q. -- cryptocurrencies. Right? 12 A. Right, correct. 13 Q. So what prompted you to do so here? 14 A. Because I was going to put more money into 15 it because it was a -- tied to a legitimate company 16 who had raised venture capital. 17 Q. And, again, you don't recall how long before 18 the ICO you -- or the whitepaper? 19 A. It would have been within the month prior, 20 but whether it was a week ahead or -- you know, 21 somewhere in there. I -- I don't recall. 22 Q. I'm handing you what's been previously 23 marked as Exhibit 12. 24 (PREVIOUSLY MARKED EXHIBIT 12 WAS 25 REFERENCED)</p>

<p style="text-align: right;">Page 93</p> <p>1 Q. And this is the -- the whitepaper. Correct?</p> <p>2 A. Correct.</p> <p>3 Q. And in -- in the whitepaper, I mean -- or</p> <p>4 rather, you already knew it was -- I mean, Kik was a</p> <p>5 legitimate operating company. Correct?</p> <p>6 A. Correct.</p> <p>7 Q. And you knew that it was backed by venture</p> <p>8 capital?</p> <p>9 A. Correct.</p> <p>10 Q. How did you know that?</p> <p>11 A. 'Cause I had checked it out. I mean, I -- I</p> <p>12 looked at who Kik was. I don't know where I looked,</p> <p>13 maybe on Yahoo Finance. I -- I don't remember where I</p> <p>14 looked, but -- or maybe even CoinDesk listed it.</p> <p>15 Somewhere I read that they were -- you know, who the</p> <p>16 venture backers were.</p> <p>17 Q. And there's reference in -- in the</p> <p>18 whitepaper to the ecosystem --</p> <p>19 A. Correct.</p> <p>20 Q. -- that was contemplated. Correct?</p> <p>21 A. Correct.</p> <p>22 Q. And that -- and that was something that you</p> <p>23 read prior to --</p> <p>24 A. Correct.</p> <p>25 Q. -- purchasing the Kin?</p>	<p style="text-align: right;">Page 95</p> <p>1 So, I mean, for the actual platform to work, there has</p> <p>2 to be an on-and-off ramp, so it's sort of -- even if</p> <p>3 it's not stated, it -- the whole thing doesn't work</p> <p>4 unless there's a way to transact, so it's just</p> <p>5 assumed.</p> <p>6 Q. Okay.</p> <p>7 A. There's -- later there's something I</p> <p>8 produced that was from some instant chatting that</p> <p>9 people had posted on Reddit that I read when it came</p> <p>10 out around, sort of, that particular item, but at the</p> <p>11 time of the ICO, nothing specific.</p> <p>12 Q. Did you review any of Kik's financial</p> <p>13 statements before buying Kin?</p> <p>14 A. No.</p> <p>15 Q. Do you recall how much approximately you --</p> <p>16 how much Kin you purchased in the TDE?</p> <p>17 A. The number of Kin or the amount in dollars?</p> <p>18 Q. The amount in dollars.</p> <p>19 A. Like 130,000.</p> <p>20 Q. Yeah, does \$138,408 --</p> <p>21 A. Yes.</p> <p>22 Q. -- seem about right?</p> <p>23 A. Yes, yes.</p> <p>24 Q. Just picking a number out there.</p> <p>25 A. It's -- it's around that, yes.</p>
<p style="text-align: right;">Page 94</p> <p>1 A. Correct.</p> <p>2 Q. Other than reading the whitepaper, what</p> <p>3 other research did you do into the Kin token?</p> <p>4 A. It's -- I think before the ICO, I'm pretty</p> <p>5 sure before the ICO, I downloaded the Kik app to play</p> <p>6 with it because I did not have it. I think I did that</p> <p>7 before. It may have been right after, but we'll just</p> <p>8 have to check and see, but I'm -- I'm pretty sure I</p> <p>9 did it before the ICO to check and see that it was a</p> <p>10 functioning app and everything. Otherwise, just --</p> <p>11 again, just reading CoinDesk, going to the website,</p> <p>12 but nothing in -- nothing else specific other than</p> <p>13 those things.</p> <p>14 Q. Okay. Did you look for any videos by -- by</p> <p>15 Kik's CEO, Ted Livingston?</p> <p>16 A. I do not believe I did, no.</p> <p>17 Q. And you had indicated that there was an</p> <p>18 expectation that the -- that Kik would be -- Kin token</p> <p>19 would be on exchange, and I want to just be very</p> <p>20 clear. Did -- do you specifically recall any</p> <p>21 statements by Kik that -- that they would be put on</p> <p>22 exchanges?</p> <p>23 A. I think they were very careful, just like</p> <p>24 every ICO, to not explicitly state that, but if no one</p> <p>25 could buy the token, then the platform made no sense.</p>	<p style="text-align: right;">Page 96</p> <p>1 Q. And for that, is it true that you received</p> <p>2 approximately 945 million Kin?</p> <p>3 A. It was a little more 'cause they did a bonus</p> <p>4 or something. It -- I think it turned out to be</p> <p>5 1.1 billion.</p> <p>6 Q. Yeah. I mean, I was thinking that in the</p> <p>7 TDE or as part of the bonus, yes. Okay. You think --</p> <p>8 you thought it ended up being about a billion Kin?</p> <p>9 A. Correct.</p> <p>10 Q. And -- and you purchased the -- how did you</p> <p>11 go about purchasing the Kin?</p> <p>12 A. Sending tokens to the address in the ICO.</p> <p>13 Q. Okay. Through the website?</p> <p>14 A. Yes.</p> <p>15 Q. And did you purchase any more Kin after the</p> <p>16 TDE?</p> <p>17 A. No.</p> <p>18 Q. Do you still have your Kin?</p> <p>19 A. They never moved.</p> <p>20 Q. Okay.</p> <p>21 A. Well, they moved between Ethereum addresses,</p> <p>22 but they've never moved to exchanges or anything.</p> <p>23 Q. Do you recall there being any caps on</p> <p>24 purchases during the TDE?</p> <p>25 A. There was an initial cap, I think -- I don't</p>

<p style="text-align: right;">Page 97</p> <p>1 remember the numbers or anything on this, but there 2 was an initial cap they were trying to let, at least 3 in the messaging, a widespread number of people 4 participate, and then when they didn't reach the 5 amount of money raised they wanted, they opened it up 6 for you to contribute more, so I did. So initially I 7 had done the cap, and then when they opened it up for 8 more, I contributed more. 9 MR. CADIGAN: 241. 10 (EXHIBIT 241 WAS MARKED FOR IDENTIFICATION) 11 THE WITNESS: Yeah, and one thing, if I may, 12 I mean, even in this document, there is -- a 13 deflationary statement is in here when it talks 14 about the value goes up as more people use it, so 15 I mean, that's -- it was somewhere in here. It's 16 highlighted in the version I had, for what it's 17 worth. The statement in -- the statement that 18 says, The value will go up as more people use it. 19 BY MR. CADIGAN: 20 Q. Right. 21 A. Because it's a deflationary currency. Like, 22 those statements are in here somewhere. 23 Q. And so, I mean, it was your -- 24 MS. D'ALLAIRD: And just to clarify for the 25 record, you're pointing --</p>	<p style="text-align: right;">Page 99</p> <p>1 Kik. Is that right? 2 A. Correct. 3 Q. And those -- and as it reflects, you made 4 purchases on September 12th, 2017, September 13th, 5 2017, and three other purchases on September 25th, 6 2017, and received a bonus on September 25th, 2015 -- 7 2017. Is that right? 8 A. Correct. 9 Q. Why did you break up these purchases in this 10 manner, rather than making them all at once? 11 A. I mean, I think the initial -- like, the -- 12 some of it was because where I was sending the Ether 13 from was different, so like sometimes the Ether was in 14 different addresses or different wallets 'cause I 15 didn't keep everything in one spot. Some was because 16 they had locked down -- they had the cap initially and 17 opened it up. I think that's why that week was -- or 18 that two weeks' difference. 19 The 12th and 13th, I'm not quite sure why 20 those are split. Maybe I had 15 on one exchange or in 21 one wallet, or maybe I was testing the -- I don't 22 normally send a bunch at once in case you get the 23 address wrong, so that might have been a test send 24 before I sent the rest, but the 25th is when it was 25 opened up 'cause they didn't fill the round -- or they</p>
<p style="text-align: right;">Page 98</p> <p>1 THE WITNESS: To the -- 2 MS. D'ALLAIRD: -- to Exhibit 12. 3 THE WITNESS: -- Exhibit 12, the whitepaper. 4 MS. D'ALLAIRD: Thank you. 5 BY MR. CADIGAN: 6 Q. And so it was your understanding that as 7 more people used the token, its value would go up? 8 A. Right. 9 Q. And, frankly, that was similar to your 10 understanding of a lot of the other cryptocurrencies 11 that were out there, is they -- the more they were 12 used, the more their value would go up? 13 A. Tokens like this, yeah, yeah, the ones -- 14 ones that are based on a fixed supply and increased 15 usage. Not all are based that way, but for the tokens 16 set up like that. 17 Q. Okay. I'm handing you what's -- or you've 18 been handed what's been marked as Exhibit 241. This 19 is the -- a document that you prepared. Is that 20 right? 21 A. Correct. 22 Q. And you provided it in response to the 23 subpoena? 24 A. Correct. 25 Q. And it lists six different transactions for</p>	<p style="text-align: right;">Page 100</p> <p>1 didn't fill the amount they wanted to fill. 2 Q. Did you have an -- at the time you made the 3 purchase, did you have an understanding of why the 4 purchases were capped? 5 A. You mean the -- the initial cap on, like, 6 how much we could contribute? 7 Q. Correct. 8 A. Yeah, the understanding, at least the 9 messaging around it was, it was to more widely 10 distribute the -- the tokens to a wider audience so 11 five people don't own all of them. 12 Q. And is it fair to say that when you 13 purchased the Kin, you thought that the -- the vision 14 of a decentralized ecosystem that's reflected in the 15 whitepaper made sense to you? 16 MS. D'ALLAIRD: Objection. 17 THE WITNESS: Mostly what I trusted was the 18 fact it was tied to a legitimate, growing 19 company, like, and Kik was a -- 20 THE COURT REPORTER: Tied to a legitimate? 21 THE WITNESS: Growing company, like the Kik 22 had a user base. I'm trusting that their 23 investors invested in Kik because they knew them 24 and trusted in them, and so then I'm tagging 25 along basically as an investor to them. That was</p>

<p style="text-align: right;">Page 101</p> <p>1 mostly it. Everybody's whitepaper says about the 2 same thing as the Kin's whitepaper. It wasn't 3 the whitepaper that sold me. It was that trust 4 in the following the -- following the lead. 5 BY MR. CADIGAN: 6 Q. But the whitepaper describes what the 7 contemplated use of the token would be. Right? 8 A. Correct. 9 MS. D'ALLAIRD: Objection. 10 BY MR. CADIGAN: 11 Q. And that -- that use of the token was going 12 to be use as a currency in a decentralized system. 13 Correct? 14 MS. D'ALLAIRD: Objection. 15 THE WITNESS: Correct, but, I mean, that's 16 what every ICO says, and I didn't invest in every 17 ICO. I invested in this one 'cause it was tied 18 to what I felt was trust. I -- this whole space, 19 the only time I sent money to anything was around 20 trust. And this was a trust of, I'm following 21 people who have done due diligence, and that's -- 22 that's why I put so much money into this one. I 23 thought it was my opportunity to invest into a -- 24 you know, to something that people who -- you 25 know, a venture believed in, so that -- that's</p>	<p style="text-align: right;">Page 103</p> <p>1 A. Yeah, that is, you know, a platform that 2 people will use, and then it will be worth more money 3 'cause people are using it. The difference in this 4 and those is that this one was tied to a legitimate 5 company, domestic company that I felt like I could 6 trust. 7 Q. I mean, did you read to see whether or not 8 the plan they had for people using the token made 9 sense? 10 A. I mean, I -- 11 MS. D'ALLAIRD: Objection. 12 THE WITNESS: -- I read it. I mean, it 13 makes -- all these things make sense in theory 14 until you execute. So, I mean, transferring 15 money, I mean, it's the same thing Facebook's 16 doing with Libra, ways to transfer digital money. 17 It's all about how big you can grow your 18 ecosystem. It makes sense if you do it, but the 19 reason I trusted they could do it is 'cause they 20 were tied to legitimate people who I thought had 21 checked into all those things. 22 BY MR. CADIGAN: 23 Q. Yes, but to be clear, at the time you 24 purchased, the plans set forth in the whitepaper did 25 not, not make sense to you?</p>
<p style="text-align: right;">Page 102</p> <p>1 the reason why I chose this particular one. 2 BY MR. CADIGAN: 3 Q. But if it didn't make sense, you wouldn't 4 have invested in it. Right? 5 MS. D'ALLAIRD: Objection. 6 THE WITNESS: I don't quite know how to 7 answer that. I mean, if they had come out and 8 said they were going to sell, you know, ponies 9 for lots of money or something, yeah, sure, I 10 mean, that's silly, but anything that fit the 11 mold of ICOs of this type of platform at the 12 time, this is sort of not that different from all 13 the other ICO whitepapers around the time. 14 BY MR. CADIGAN: 15 Q. Wait, but are you saying that the -- I mean, 16 I -- I mean, you read the whitepaper. You read that 17 with a purpose. Right? 18 A. I mean, I read it, yes, to -- to just -- to 19 see what their goal was, but it was very cookie-cutter 20 to what a lot of other companies are push -- or ICOs 21 were pushing -- 22 Q. But -- 23 A. -- which is a platform that people will use, 24 and then it will be worth more money. 25 Q. But is it -- I'm sorry.</p>	<p style="text-align: right;">Page 104</p> <p>1 A. Correct. 2 MS. D'ALLAIRD: Objection. 3 THE WITNESS: Correct. 4 BY MR. CADIGAN: 5 Q. Prior to your purchase, did you follow any 6 of Kik's social media channels? 7 A. I don't think so, no. 8 Q. Do you recall anything from any of their 9 social media channels that influenced your decision to 10 buy Kin? 11 A. No. 12 Q. Do you have a Reddit account? 13 A. I do. Quite inactive Reddit account, but a 14 Reddit account. 15 Q. Did you review -- did you review any Reddit 16 posts about Kik before the TDE? 17 A. I'm not sure. I -- I mean, maybe. I 18 followed them more afterwards than before, but I'm not 19 a hundred percent sure about ahead of time. 20 Q. Do you -- did you -- do you recall any posts 21 from Kik on Reddit? 22 A. Ahead of time, no. 23 Q. How did you think Kin would be used once the 24 platform was launched? 25 A. I don't know. I mean, things change in</p>

<p style="text-align: right;">Page 105</p> <p>1 companies. I figured they'd change from whatever they 2 said and find a way to make it make money. I -- I 3 don't know. I mean, it would be used to transfer 4 value between users and different platforms and all 5 these things that everyone says they're going to do. 6 I just trusted they'd execute it, so transferring 7 money around on the Internet. 8 Q. At the time you -- prior to your purchase, 9 did you have an understanding as to how Kin would be 10 used once it was launched? 11 A. Prior to my purchase. I went from -- from 12 this, but this is, again, pretty cookie-cutter 13 explanation of a platform token value model, so, I 14 mean, I -- when I read it, it's not so different. So, 15 yes, I did understand how it was intended to be 16 valuable. 17 Q. And you're saying -- and when you're saying 18 based on this, you're -- you're pointing to the 19 whitepaper. Right? 20 A. Correct, yes. 21 Q. Did you have an understanding that -- that 22 Kin -- prior to your purchase, did you have an 23 understanding that Kin was -- planned to be used to 24 buy goods and services? 25 MS. D'ALLAIRD: Objection.</p>	<p style="text-align: right;">Page 107</p> <p>1 is more expensive than the gum, so ways to be able to 2 transact a penny across -- between people without the 3 transaction fee being so high, way to keep that cost 4 down. 5 Q. And at the time you -- you purchased, did 6 you believe that Kin might one day be used for 7 micropayments? 8 A. I -- I don't know. I mean, that wasn't 9 something I thought about. 10 Q. In -- in your -- I mean, at the time you 11 purchased, what was your understanding of what -- of 12 how Kin would ultimately become successful? 13 A. That because they were -- you know, again, 14 I'll -- can I reference something that makes an 15 example -- 16 Q. Sure. 17 A. -- to make it make more sense? So kind of 18 like what -- again, like the Facebook Libra action has 19 been -- sort of become the way to have a trusted 20 entity who's backing a virtual currency was what I 21 believed in more than anything else. 22 How that ended up being, there's so many 23 pieces here that would change over time. It wasn't 24 that I thought the whitepaper would be the end-all, 25 be-all executed vision, but that tie to that</p>
<p style="text-align: right;">Page 106</p> <p>1 THE WITNESS: Not -- not physical goods and 2 services as that -- virtual goods and services. 3 BY MR. CADIGAN: 4 Q. But did you have an understanding that at a 5 minimum, Kin could be used to buy virtual goods and 6 services? 7 A. Yes. 8 MS. D'ALLAIRD: Objection. 9 Q. At the time you purchased, did they think -- 10 did you think that it was going to be possible that 11 you might use Kin yourself to buy digital goods or 12 services? 13 A. No. 14 Q. Was it your understanding when you purchased 15 that other people might be able to use Kin to buy 16 virtual goods and services? 17 A. Yes. 18 Q. Are you aware of a concept called "micro- 19 payments"? 20 A. Vaguely, yes. I mean, I -- yes. 21 Q. What -- what's your understanding of what 22 that is? 23 A. Just small payments that are too expensive 24 to do via traditional payment models. So, you know, 25 the cost to pay for a piece of gum with a credit card</p>	<p style="text-align: right;">Page 108</p> <p>1 legitimate entity was -- was what I thought. They'd 2 find a way to make it valuable, and it would probably 3 be just trusted currency transactions through 4 different softwares. They could maybe build -- help 5 fund that with some of the money. I don't know. I 6 figured they'd find a way. I -- I was investing in 7 the trust of them. 8 Q. And so as you invested, it was your -- your 9 thought that whatever the company's initial stage was, 10 it would eventually modify and develop? 11 A. Yeah, I mean, that was -- yes. 12 Q. And, again, just putting in the -- with 13 reference to what was in the whitepaper, what was your 14 understanding, I mean -- and I understand you say this 15 is cookie-cutter, but what was your understanding of 16 what the Kin ecosystem was proposed to be? 17 A. That, you know, anyone with a need to handle 18 payments across the Internet would use this payment 19 system to do it, basically, and that they would help 20 develop some of the piece -- you know, they'd have -- 21 they'd build the foundation, which is really just the 22 blockchain, and then they would foster and push, you 23 know, development of companies to build and use it or, 24 you know, just have that trust that they -- they were 25 a known entity in a domestic location that would be</p>

<p style="text-align: right;">Page 109</p> <p>1 the backing behind it, so.</p> <p>2 Q. Did you have any understanding as to what</p> <p>3 role vendors or developers other than Kik would play</p> <p>4 in the ecosystem?</p> <p>5 A. Say that one more time.</p> <p>6 Q. Yeah. Did you have any understanding as to</p> <p>7 what role vendors or developers other than Kik would</p> <p>8 supposedly play in the Kin ecosystem?</p> <p>9 A. I mean, in the vision, it is that, you know,</p> <p>10 having that ability to pay would allow other entities</p> <p>11 building other things to use that for payments.</p> <p>12 That's, I think, the -- I think that answers the</p> <p>13 question.</p> <p>14 Q. And was it your understanding that those</p> <p>15 other developers and vendors could participate on the</p> <p>16 Kin ecosystem?</p> <p>17 A. You mean transact using the Kin token?</p> <p>18 Q. Yes.</p> <p>19 A. Yes.</p> <p>20 Q. Have you followed the Kin ecosystem's</p> <p>21 progress to date?</p> <p>22 A. I mean, I quit probably a year ago, I mean,</p> <p>23 when it comes to following daily other than with this</p> <p>24 action.</p> <p>25 Q. Let's turn to another concept. What's your</p>	<p style="text-align: right;">Page 111</p> <p>1 vice-versa or -- think they didn't quite</p> <p>2 understand, I don't think, how they were going to</p> <p>3 use it either.</p> <p>4 BY MR. CADIGAN:</p> <p>5 Q. No, but they -- you understood that they</p> <p>6 were starting off on a -- a blockchain platform?</p> <p>7 MS. D'ALLAIRD: Objection.</p> <p>8 THE WITNESS: I understood, yeah, they were</p> <p>9 on Ethereum.</p> <p>10 BY MR. CADIGAN:</p> <p>11 Q. Do you know what an ERC 20 token is?</p> <p>12 A. It's the Ethereum -- it's an Ethereum token.</p> <p>13 It's a standard for a certain type of Ethereum token.</p> <p>14 Q. And was it your understanding that the</p> <p>15 original Kik tokens were ERC 20 tokens?</p> <p>16 A. Correct, as were 95 percent of them during</p> <p>17 that time period.</p> <p>18 Q. Okay. Are you aware that Kik recently sold</p> <p>19 its messenger application?</p> <p>20 A. Yeah, I saw they first were going to dump</p> <p>21 it, and then they found a buyer, so, yes.</p> <p>22 Q. And do you know what effect, if any, that</p> <p>23 had on the activity of Kin on the ecosystem?</p> <p>24 A. Oh, I don't know. I've considered the whole</p> <p>25 thing dead for a year-and-a-half, so I -- I don't</p>
<p style="text-align: right;">Page 110</p> <p>1 understanding of the term "blockchain"?</p> <p>2 A. Oh, you want my official -- umm, so it's a</p> <p>3 distributed recordkeeping system that can't be</p> <p>4 modified or changed once created, and it's verifiable</p> <p>5 via, you know, cryptographic hashes. I'll help you</p> <p>6 with that later.</p> <p>7 Q. And what was -- what's your understanding of</p> <p>8 the concept of decentralized in the context of</p> <p>9 blockchain technology?</p> <p>10 A. That the nodes that are housing the ledger</p> <p>11 are not all in one location.</p> <p>12 Q. And you understood at the time you purchased</p> <p>13 that the Kin token's function on blockchain</p> <p>14 technology. Right?</p> <p>15 THE COURT REPORTER: I'm sorry, the Kin?</p> <p>16 MR. CADIGAN: Token's function on blockchain</p> <p>17 technology.</p> <p>18 MS. D'ALLAIRD: Objection.</p> <p>19 THE WITNESS: Yeah, I don't think Kin knew</p> <p>20 at the time either. I mean, they started on a</p> <p>21 different ecosystem and realized that didn't make</p> <p>22 any sense, and then they switched to another one,</p> <p>23 so, I mean, I just figured they'd figure it out.</p> <p>24 I think they started on Stellar and -- or they</p> <p>25 started on Ethereum and went to Stellar or</p>	<p style="text-align: right;">Page 112</p> <p>1 know. That's why a lot of these things I don't</p> <p>2 remember very well because I kind of put it out of my</p> <p>3 mind.</p> <p>4 Q. And so when you first bought your Kin</p> <p>5 tokens, they were ERC 20 tokens on the Ethereum</p> <p>6 blockchain. Correct?</p> <p>7 A. Correct.</p> <p>8 Q. And who governs the Ethereum blockchain?</p> <p>9 MS. D'ALLAIRD: Objection.</p> <p>10 THE WITNESS: I mean, it's technically from</p> <p>11 a cryptographic method, no one, but the</p> <p>12 foundational team of Ethereum, so I think that's</p> <p>13 the DAO, or I don't know. It's a Vitalik and</p> <p>14 the -- the Ethereum team.</p> <p>15 BY MR. CADIGAN:</p> <p>16 Q. Do you know whether you could have</p> <p>17 physically transferred your Kin tokens to anyone else</p> <p>18 immediately after you received them.</p> <p>19 A. By "physically," you mean digitally?</p> <p>20 Q. Yes.</p> <p>21 A. Yes.</p> <p>22 Q. Could you?</p> <p>23 A. I think so, 'cause they were -- I mean, they</p> <p>24 were ERC 20 tokens. You can send those between</p> <p>25 Ethereum wallets.</p>

<p style="text-align: right;">Page 113</p> <p>1 Q. When you made your purchase of Kin, did you 2 purchase the Kin with the expectation of making a 3 profit? 4 A. Yes. 5 Q. And why did you think that? 6 A. Same reason the venture people who invested 7 in Kik did. I mean, I just -- I trusted that. I 8 mean, that's more than anything the reason why I 9 clicked Send, was -- was following those investors and 10 their belief and their diligence they had done, so 11 that's the primary reason. 12 Q. Do you recall any specific statements made 13 by Kik itself telling you that you could expect a 14 profit? 15 A. Well, I mean, in the whitepaper, there's 16 that sentence that I alluded to earlier that said, you 17 know, because it's a finite supply, as more people use 18 it, it will be worth more money, which implies profit. 19 Q. Okay. Can you point me to that statement? 20 A. It was highlighted in the version that I 21 sent over -- well, I might be lying, but I don't know 22 if it's highlighted in the version either. It's 23 somewhere. Let's see. 24 (WITNESS REVIEWS DOCUMENT) 25 A. There's a sentence that says -- yeah, I</p>	<p style="text-align: right;">Page 115</p> <p>1 BY MR. CADIGAN: 2 Q. Wait, I'm sorry. I don't understand. To 3 make -- to make what happen? 4 A. To make -- for other people to care and want 5 to contribute to that ecosystem. It's -- it's not 6 going to just -- you know, Kin didn't -- Kik wasn't as 7 powerful as Apple and where they can just open a -- 8 open an app store and everyone starts making stuff for 9 it. Like, clearly Kik was going to have to help fund 10 and help -- 11 Q. Foster? 12 A. -- get that go -- foster, yeah, foster that 13 and get that going. 14 Q. I'm sorry, I didn't mean to cut you off. 15 A. No, that's the right word. 16 Q. Yeah. 17 A. No, "foster" is the word I was looking for. 18 Q. But you went in this understanding that Kin 19 would -- would initially foster the ecosystem that 20 would have involved participants, developers -- 21 A. Right. Well -- 22 Q. -- and app -- and app -- and vendors? 23 A. Right. 24 MS. D'ALLAIRD: Objection. You said, "Kin." 25 Do you mean Kin or Kik?</p>
<p style="text-align: right;">Page 114</p> <p>1 still haven't found it in here, but due to the finite 2 supply -- maybe it's back here. I can probably find 3 it better if I searched in the phone, or I can do that 4 in a little bit on break and then bring it back. 5 There's just -- there's two sentences somewhere in the 6 document. 7 Q. But your understanding was that the -- that 8 the -- the company had made statements, in effect, 9 that as more people used the token, its value would 10 rise? 11 A. Correct. 12 Q. Okay. And was it your understanding that 13 that -- that use required participation by developers, 14 service providers, and participants in the network? 15 MS. D'ALLAIRD: Objection. 16 THE WITNESS: Right, and it wouldn't 17 magically happen. Kik and Kin would have to push 18 it to make it happen. 19 BY MR. CADIGAN: 20 Q. But developers and service providers would 21 also have to be involved. Right? 22 MS. D'ALLAIRD: Objection. 23 THE WITNESS: I mean, in a perfect world, 24 yes, but it was Kin and Kik's responsibility to 25 make that happen.</p>	<p style="text-align: right;">Page 116</p> <p>1 MR. CADIGAN: Kik. 2 THE WITNESS: Kin and Kik. I mean, yeah, I 3 mean, I kind of -- I kind of lump them together. 4 I mean, they're -- they're probably -- they're 5 legally separate, but virtually the same. 6 BY MR. CADIGAN: 7 Q. Okay. But, I mean -- and I apologize to be 8 clear, so. But it was your understanding that Kik 9 would initially foster the development of the 10 ecosystem that would ultimately involve participation 11 by participants, vendors? 12 A. Correct. 13 Q. Developers? 14 A. Correct. 15 Q. As a crypto purchaser, cryptocurrency 16 purchaser, just generally, what effect, if any, does 17 the -- the overall crypto market have on the prices of 18 the cryptocurrencies you've purchased? 19 MS. D'ALLAIRD: Objection. 20 THE WITNESS: So say that -- can you say 21 that slightly differently? What effect does it 22 have on the value of the currencies I've 23 purchased? 24 BY MR. CADIGAN: 25 Q. Yeah.</p>

<p style="text-align: right;">Page 117</p> <p>1 A. I mean, every -- I mean, they all --</p> <p>2 everything moves in lockstep to some degree, or has,</p> <p>3 not anymore, but at the time was moving in lockstep.</p> <p>4 Q. And by that you mean that the prices of the</p> <p>5 cryptocurrencies you had purchased moved in lockstep</p> <p>6 with other cryptocurrencies in the market?</p> <p>7 MS. D'ALLAIRD: Objection.</p> <p>8 THE WITNESS: In general.</p> <p>9 BY MR. CADIGAN:</p> <p>10 Q. We had talked about the term "minimal viable</p> <p>11 product" previously. When you purchased -- in the</p> <p>12 TDE, did you have an understanding of what the minimal</p> <p>13 viable product was for the Kin ecosystem?</p> <p>14 A. Not -- I hadn't thought of it that way, no.</p> <p>15 It was my understanding they had no product at that</p> <p>16 time.</p> <p>17 Q. And yet you still purchased?</p> <p>18 A. 'Cause I believed in Kik, which had a</p> <p>19 product.</p> <p>20 Q. And you believed in the ultimate development</p> <p>21 of the ecosystem. Correct?</p> <p>22 A. I believed that a company that could build</p> <p>23 Kik into a big messenger could build another thing,</p> <p>24 like, that they could build this.</p> <p>25 Q. Yes, but the "this" we're talking about is</p>	<p style="text-align: right;">Page 119</p> <p>1 MS. D'ALLAIRD: Objection.</p> <p>2 THE WITNESS: Correct.</p> <p>3 MR. CADIGAN: Okay. The next one marked,</p> <p>4 241.</p> <p>5 THE COURT REPORTER: 242.</p> <p>6 MR. CADIGAN: 242.</p> <p>7 (EXHIBIT 242 WAS MARKED FOR IDENTIFICATION)</p> <p>8 BY MR. CADIGAN:</p> <p>9 Q. Dr. Neil, I'm showing you what's been marked</p> <p>10 as Exhibit 242.</p> <p>11 A. Yes.</p> <p>12 Q. And this is a letter from Joseph Peck to the</p> <p>13 legal department at Kik dated April 10th, 2019.</p> <p>14 Correct?</p> <p>15 A. Yes.</p> <p>16 Q. Okay. And I believe you have referenced him</p> <p>17 already, but who is Joe Peck?</p> <p>18 A. He was the attorney, the cryptocurrency</p> <p>19 attorney -- or I don't know if he'd call himself that,</p> <p>20 but up in Washington, DC, who I -- who wrote this.</p> <p>21 Q. Okay. And then he sent this letter -- it</p> <p>22 was your understanding he sent this letter to Kik.</p> <p>23 Right?</p> <p>24 A. Correct.</p> <p>25 Q. And you instructed him to do so?</p>
<p style="text-align: right;">Page 118</p> <p>1 the ecosystem they were talking about?</p> <p>2 A. Correct.</p> <p>3 MR. CADIGAN: So it's about 12:30 now. Can</p> <p>4 we go off the record for a second?</p> <p>5 THE VIDEOGRAPHER: The time is 12:36 p m.</p> <p>6 We're going off the record.</p> <p>7 (LUNCHEON RECESS TAKEN)</p> <p>8 THE VIDEOGRAPHER: The time is 1:37 p m. We</p> <p>9 are on the record.</p> <p>10 BY MR. CADIGAN:</p> <p>11 Q. Dr. Neil, do you own any -- any stocks?</p> <p>12 A. Yes.</p> <p>13 Q. And are those publicly-traded --</p> <p>14 A. Yes.</p> <p>15 Q. -- companies?</p> <p>16 A. Yes.</p> <p>17 Q. And do you -- and you also own stock in your</p> <p>18 own companies. Correct?</p> <p>19 A. Correct.</p> <p>20 Q. And that's an ownership interest in those</p> <p>21 companies?</p> <p>22 A. Correct.</p> <p>23 Q. And when you bought Kin, you understood that</p> <p>24 that was not an ownership interest in Kin -- Kik.</p> <p>25 Right?</p>	<p style="text-align: right;">Page 120</p> <p>1 A. Correct.</p> <p>2 Q. Okay. When did you retain him?</p> <p>3 A. Probably a month before this. I had talked</p> <p>4 to him off and on for a while, but I -- I'm not sure</p> <p>5 what the definition of retaining an attorney is, but.</p> <p>6 Q. But with respect to this -- this -- the</p> <p>7 issue that became this letter that you sent to Kik,</p> <p>8 when did you first start talking to him about this?</p> <p>9 A. Probably a month before this.</p> <p>10 Q. And you had said that you had worked with</p> <p>11 him previously?</p> <p>12 A. I had talked to him previously, yes.</p> <p>13 Q. And you had talked to him about potentially</p> <p>14 doing an ICO. Is that right?</p> <p>15 A. Correct.</p> <p>16 Q. And when was -- when was -- when were you</p> <p>17 thinking of doing the ICO?</p> <p>18 A. Either late 2016 or early 2017.</p> <p>19 Q. And why were you contemplating an ICO?</p> <p>20 A. 'Cause I thought the traditional methods of</p> <p>21 raising funding, you know, especially at that time,</p> <p>22 was kind of a little bit archaic and limiting in scope</p> <p>23 as to who would -- who was able to participate. So I</p> <p>24 was looking specifically, though, to issue a ICO that</p> <p>25 related ownership interest so that the participants</p>

<p style="text-align: right;">Page 121</p> <p>1 had a stake in the company. 2 Q. And what company was that? 3 A. Udifi. 4 Q. And ultimately you decided not to pursue the 5 ICO. 6 A. Right. 7 Q. Correct? 8 A. Correct. 9 Q. And, actually, have you spoken to Mr. Peck 10 at all in connection with your subpoena here today? 11 A. I don't think -- I don't think -- I sent him 12 a text message and he didn't respond, so I don't think 13 we've had any conversation. 14 Q. And in the TDE, isn't it right that you 15 indicated you purchased approximately \$138,000 worth 16 of Kin? 17 A. Correct. 18 Q. And in this letter you're demanding, oh, 19 approximately \$1.5 million from Kik, aren't you? 20 A. Correct. 21 Q. And in the letter you threatened to file a 22 lawsuit against Kik, didn't you? 23 A. Correct. 24 Q. And amongst other things, the letter 25 threatens fraud claims and breach of fiduciary duty</p>	<p style="text-align: right;">Page 123</p> <p>1 THE WITNESS: That I believed that they did 2 not disclose relevant information at the time 3 that I basically gave them money. 4 BY MR. CADIGAN: 5 Q. And what -- what exactly was that 6 information you claimed that Kik failed to disclose? 7 A. Some of the stuff that came out when the SEC 8 wrote their letter, which were things like, that the 9 user account was decreasing, that they had tried to 10 raise funds, or at least had contemplated and were 11 unsuccessful, and they used this as a method to fund 12 continue -- continuing operations, whereas I -- I -- 13 my understanding from everything that was forthcoming 14 was that they were a growing company. I think I've 15 said before, I trusted Kik, that they were a growing 16 company, and that Kin was on top of that, not that it 17 was going to be helpful to fund Kik from failure. 18 Q. Now, at the time you wrote this letter, do 19 you know whether the SEC had filed its complaint? 20 MS. D'ALLAIRD: Objection. Have we 21 established that he wrote the letter? 22 BY MR. CADIGAN: 23 Q. Hold on a second. 24 A. Yes. 25 Q. Did you instruct your attorney to send this</p>
<p style="text-align: right;">Page 122</p> <p>1 claims, doesn't it? 2 A. Correct. 3 Q. And you -- you never ultimately brought a 4 lawsuit against Kik. Right? 5 A. Correct. 6 Q. And in taking a look at the -- the complaint 7 in this matter, you understand that the SEC has not 8 charged any fraud or breach of fiduciary duty claims 9 against Kik. Is that right? 10 MS. D'ALLAIRD: Objection. 11 THE WITNESS: Okay. I said, okay. 12 BY MR. CADIGAN: 13 Q. No, do you understand that or? 14 MS. D'ALLAIRD: Objection. 15 THE WITNESS: I'm not clear on what has been 16 brought exactly or not, so. 17 BY MR. CADIGAN: 18 Q. Do you have -- do you have an understanding 19 as to whether they've brought any fraud claims here? 20 MS. D'ALLAIRD: Objection. 21 THE WITNESS: Not really. 22 BY MR. CADIGAN: 23 Q. When you -- I mean, what was your basis 24 for -- for claiming fraud in this letter? 25 MS. D'ALLAIRD: Objection.</p>	<p style="text-align: right;">Page 124</p> <p>1 letter to -- 2 A. Yes. 3 Q. -- to Kik? 4 A. Yes. 5 Q. Did you read this letter before it was sent? 6 A. Yes. 7 Q. Did you authorize this letter? 8 A. Yes. 9 Q. Okay. Now, when this letter was sent, 10 okay -- and by the way, the attorney here is your 11 agent. Right? 12 MS. D'ALLAIRD: Objection. 13 THE WITNESS: At the time he wrote this, 14 yes. Whether he is now or not is questionable. 15 BY MR. CADIGAN: 16 Q. Is there any question that this was your -- 17 you instructed this letter to be sent to Kik? 18 A. No, I instructed this letter to be sent to 19 Kik. 20 Q. Now, at the time that this letter was sent 21 to Kik, did -- do you know whether the SEC had filed 22 its complaint in this matter yet? 23 A. There was at least some public -- I'm not 24 sure what information was available at the exact time. 25 I know that it had come out that the SEC was --</p>

<p style="text-align: right;">Page 125</p> <p>1 decided that they owed -- they thought that it was a 2 security violation, and I had been thinking there was 3 a problem for a while. 4 I -- I waited to send the letter because I 5 figured there was nothing to collect, but once that 6 came out, I decided that it was the time to at least 7 put -- the reason we didn't file the action later was 8 we decided to at least place our place in line 'cause 9 we felt like there would be more people filing 10 complaints against Kik. 11 Q. And -- but I guess what I'm saying is, were 12 you prompted -- I mean, the basis for your -- for your 13 claims of fraud and breach of fiduciary duty, when did 14 you first come to conceive of those bases? 15 A. Oh. Probably six months after the ICO. 16 It's just from a timing perspective, this timing 17 happened because of the SEC beginning to look. 18 Q. Okay. So as of six months after the ICO, 19 okay, you believed that there was a basis for fraud 20 claims against Kik? 21 MS. D'ALLAIRD: Objection. Just going to 22 say for the record, we haven't established that 23 he's an attorney or has any kind of legal 24 training. 25 MR. CADIGAN: He doesn't need to.</p>	<p style="text-align: right;">Page 127</p> <p>1 So what I mean by the six months after I 2 felt like there was an expectation that there would be 3 a way to transact, to exchange fiat for -- for Kin, so 4 that was one. We -- we fully -- I fully expected 5 there would be a -- an exchange to -- to transact Kin 6 on, and then that was the primary thing initially, 7 that I'd say six months in as there wasn't an effort 8 to do that, I felt like something wasn't right. 9 And then -- you know, then I start -- I used 10 Kik, and I -- you know, I started to have questions as 11 to whether their platform or model even made sense. 12 And then over that next period of time, I don't know, 13 Kin just -- I don't know, it -- some of it was more of 14 a gut -- some of the -- like, when I say the six 15 months in, some of that was a gut feeling and not like 16 I could have made a legal claim six months in for 17 anything. 18 That was more later, I think. I'll leave it 19 there. And I just mean, like, when it seemed clear, 20 especially whenever the number -- like, we wrote this 21 knowing that there were some things probably going 22 to -- not knowing, but expecting some things would 23 come out, that Kik and Kin wasn't working out as 24 intended and that -- and then whenever Kik decide -- 25 or Kin decided or whoever decided to shut Kik down and</p>
<p style="text-align: right;">Page 126</p> <p>1 THE WITNESS: Well -- 2 MS. D'ALLAIRD: Is that your testimony, 3 Counsel? I'm just saying for the record, he's 4 not an attorney as far as I know. 5 MR. CADIGAN: Wait. Please make your 6 objection and move on. 7 MS. D'ALLAIRD: Well, you've asked me to 8 clarify my objection previously, so I'm -- 9 MR. CADIGAN: I didn't ask you to clarify. 10 I didn't -- 11 MS. D'ALLAIRD: Previously you have, so I'm 12 just trying to be helpful. 13 MR. CADIGAN: What day? 14 MS. D'ALLAIRD: I'm just stating -- today. 15 So I'm just saying for the record, as far as we 16 know so far, it hasn't been established that he 17 is an attorney. And please continue. 18 BY MR. CADIGAN: 19 Q. You're not an attorney, are you? 20 A. No, and the words, just -- I mean, along 21 those lines, the word "fraud," I don't completely know 22 what legally it means. I mean, I know in general 23 human sense what "fraud" means, but what is 24 constituted as fraud in a court of law, I don't know. 25 All right.</p>	<p style="text-align: right;">Page 128</p> <p>1 then fire sale it or whatever they did, then that sort 2 of sealed the deal that that wasn't what the money was 3 supposed to be used for. 4 Q. And as you indicated, this was something of 5 a placeholder? 6 A. We had no expectation that Kik would respond 7 with anything positive to this, so, yes, basically. 8 Q. And -- but what -- I mean, at the time you 9 sent this letter -- and you understand a fraud claim's 10 a pretty serious claim. Right? 11 A. Uh-huh. 12 Q. You didn't make that lightly. Right? 13 A. I believed it to be -- 14 MS. D'ALLAIRD: Objection. 15 THE WITNESS: I believe it to be true, but I 16 don't have all the facts. Right? I mean, it 17 would be something that if we had filed a civil 18 suit and done our subpoenas and investigation, I 19 believe it would have held up that the -- that 20 the Kin sale was a -- a way to raise funding for 21 a company that wasn't growing as expected, which 22 was, you know, Kik. 23 BY MR. CADIGAN: 24 Q. And as part of that, can you point to any 25 statements or omissions made by Kik, specific</p>

<p style="text-align: right;">Page 129</p> <p>1 statements or specific omissions made by Kik that you 2 can recall that form the basis of your suggestion that 3 you were misled?</p> <p>4 MS. D'ALLAIRD: Objection, compound. 5 THE WITNESS: So there is a -- I think Phil 6 Tanner, who is, I believe, a representative of 7 Kik -- I'm not sure his role -- had posted some 8 Medium articles aligning with -- so when I looked 9 back, I found the statement that I was talking 10 about earlier, the statement about the 11 deflationary currency and how it would go up in 12 value with more use. That was a Medium article 13 by Phil Tanner. It's one of the things I 14 produced.</p> <p>15 BY MR. CADIGAN: 16 Q. Tanner, Phil?</p> <p>17 A. Maybe. Yeah, it was -- it was one I 18 produced. It's in the documents I produced, stating 19 those facts, that as more people used it, it would go 20 up in value.</p> <p>21 There were also some -- some back-and-forth 22 communications about getting on exchanges. That, I 23 think -- combining those two is sort of where the main 24 part of that -- the fraud claim to me comes from, is 25 that I had an understanding and an expectation of</p>	<p style="text-align: right;">Page 131</p> <p>1 anything prior affirmatively. It was more of a lack 2 of disclosure.</p> <p>3 Q. And when you -- when you instructed that 4 this letter be sent, you were seeking not the 5 approximately \$138,000, but \$1.5 million.</p> <p>6 A. Uh-huh.</p> <p>7 Q. What was the basis for you seeking that 8 amount?</p> <p>9 A. Yeah, I mean, if you read on that exhibit in 10 Item Number 1, it says that was the peak valuation on 11 January 7th, 2018, on illiquid -- illiquid, untrusted 12 exchanges, which I don't, or no legitimate investor 13 uses, and had there been an opportunity to sell at 14 that point, I would have reduced my exposure to this 15 token. That's -- that's where that number comes from. 16 My reason was because, ask high instead of lower, I 17 mean, in -- in real estate, but that's where the 18 number comes from.</p> <p>19 Q. So it was a negotiating point?</p> <p>20 A. Yes.</p> <p>21 Q. And you're indicating that had you have 22 known this information, you would have sold earlier?</p> <p>23 A. Had I known this information -- by "this 24 information," what are you referencing?</p> <p>25 Q. Well, you said there was certain information</p>
<p style="text-align: right;">Page 130</p> <p>1 things that, had we been able to do a full due 2 diligence, would not have panned out to be true, and I 3 would not have invested.</p> <p>4 Q. Okay. But were those -- these statements 5 that you're pointing to, were those things that you 6 recall, again, prior to the TDE that you relied upon 7 in making your decision to purchase Kin?</p> <p>8 A. I think the lack of disclosure of them prior 9 would be the problem.</p> <p>10 Q. Okay. So you're not pointing to any 11 affirmative statements that were made by Kik?</p> <p>12 A. Not --</p> <p>13 Q. Correct?</p> <p>14 MS. D'ALLAIRD: Objection. 15 THE WITNESS: Not prior to the ICO. Is that 16 the question?</p> <p>17 BY MR. CADIGAN: 18 Q. I mean, prior to the TDE, yes.</p> <p>19 A. Prior to -- is that the same --</p> <p>20 Q. Yeah. Well, the --</p> <p>21 A. The event?</p> <p>22 Q. The token distribution event.</p> <p>23 A. Yeah, in the September --</p> <p>24 Q. Yeah.</p> <p>25 A. -- 20 -- yeah, I don't -- I don't recall</p>	<p style="text-align: right;">Page 132</p> <p>1 that was -- you were not told --</p> <p>2 A. Came out later, yeah.</p> <p>3 Q. Came out later?</p> <p>4 A. Yeah, had I known that, I wouldn't have 5 invested at all. Had I -- had I known that they were 6 not having the user counts and things that I don't -- 7 that were sort of hinted at prior to this letter but 8 some of it came out in more detail later, I think -- I 9 don't know the timing. I don't know the timing -- but 10 had I known what I know now, I would never have 11 invested in it.</p> <p>12 Q. But -- and by that you're saying the things 13 that you learned as part of the -- the SEC's 14 complaint?</p> <p>15 A. Some of the -- yes.</p> <p>16 Q. And -- and you know those are the SEC's 17 allegations in this matter. Right?</p> <p>18 MS. D'ALLAIRD: Objection, ambiguous. 19 THE WITNESS: Yes.</p> <p>20 BY MR. CADIGAN: 21 Q. And as of -- as of -- and your -- and had 22 you known that information as of January 2018, could 23 you have sold your Kin at that time?</p> <p>24 MS. D'ALLAIRD: Objection. 25 THE WITNESS: Not on those exchanges, which</p>

<p style="text-align: right;">Page 133</p> <p>1 is part of what I felt was the lack of -- you 2 know, the breach of fiduciary duty on Kin and Kik 3 was to get on an ex -- a reputable exchange. 4 BY MR. CADIGAN: 5 Q. Well, Kik was on exchanges as of -- 6 A. Not -- 7 Q. -- January 2018. Correct? 8 MS. D'ALLAIRD: Objection. 9 THE WITNESS: Not know-your-mutton 10 (phonetic), not KYC/AML, not ones that our 11 Government would approve of. 12 BY MR. CADIGAN: 13 Q. Well, has the -- has the SEC regulated any 14 exchanges -- 15 MS. D'ALLAIRD: Objection. 16 Q. -- that you know of? 17 MS. D'ALLAIRD: Objection. 18 THE WITNESS: There's -- there are -- well, 19 I don't -- I don't know the legal part of this, 20 no. 21 BY MR. CADIGAN: 22 Q. Okay. But, I mean, you -- 23 A. I'll say, I don't know. 24 Q. You just mentioned that, none that the 25 Government would approve of. Do you know of any --</p>	<p style="text-align: right;">Page 135</p> <p>1 exchanges. A lot of them have a fair amount of 2 fraud and theft involved. There were none that 3 were trusted to not involve theft or fraud at 4 that time. 5 BY MR. CADIGAN: 6 Q. There were none that you trusted? 7 A. That I think -- I don't think me as an 8 isolated entity would state this. I think as a -- as 9 a larger -- the only places were basically EtherDelta 10 and Bankcor at the time. EtherDelta was a 11 distributed, unregulated, no customer service exchange 12 where if you mess it up, you lose all your money, also 13 very illiquid 'cause no one used it. And then Bankcor 14 was sort of a trial thing that very few people used. 15 There was no legitimate exchange -- and, again, I 16 don't know how to define "legitimate," other than that 17 I trusted or that most people who knew anything about 18 the space and that still had money and didn't lose it 19 to fraud trusted. 20 Q. I mean, again, but -- I mean, you can't 21 speak for other people. Right? 22 MS. D'ALLAIRD: Objection. 23 THE WITNESS: I can speak for people like me 24 who have been in this space for a while and know 25 how to not lose their money and, yes.</p>
<p style="text-align: right;">Page 134</p> <p>1 A. Right. 2 Q. -- that the Government had approved of as of 3 January 2018? 4 A. It's a -- 5 MS. D'ALLAIRD: Objection. 6 THE WITNESS: It's a gray area, but they 7 were ones that were following the rules better 8 than others, which were things like Coinbase. 9 BY MR. CADIGAN: 10 Q. How do you know that? 11 A. Based on their public messaging. 12 Q. Did you -- do you -- I mean, and you were 13 following this space. Do you know whether the SEC had 14 ever provided any approval of any of the -- any 15 exchanges? 16 MS. D'ALLAIRD: Objection. 17 THE WITNESS: As far as I know, it was a -- 18 that's still a gray area, which I think still is. 19 BY MR. CADIGAN: 20 Q. And -- but there were -- there were other 21 exchanges that you could have sold your Kin tokens on. 22 Right? 23 MS. D'ALLAIRD: Objection. 24 THE WITNESS: Let me answer that with -- I 25 can't answer that yes or no. There are lots of</p>	<p style="text-align: right;">Page 136</p> <p>1 BY MR. CADIGAN: 2 Q. But, to be frank, what you're -- what you're 3 providing here is, you didn't trust those exchanges. 4 Right? 5 A. Myself or I would say other people I know 6 through -- you know, I've been parts of Discord chats 7 and just, I have -- I know other people in the space. 8 It's pretty well-established, and ask -- I don't know 9 how to answer this different, but experienced people 10 in the space would not trust those, including myself. 11 Q. Is it fair to say that you have a financial 12 interest in the SEC's action against Kik? 13 A. I don't know. 14 MS. D'ALLAIRD: Objection. 15 THE WITNESS: I mean, I think what's lost is 16 lost, so I -- it's not that now, at this point. 17 I mean, we didn't file a suit or anything. I 18 just -- it's more I just think it was wrong and 19 deceitful, and I'm just doing my part to bring 20 that out. 21 BY MR. CADIGAN: 22 Q. Do you have any expectation of receiving 23 anything should the SEC be successful in its action 24 against Kik? 25 A. I have no expectation. Would I like to?</p>

<p style="text-align: right;">Page 137</p> <p>1 Sure, but I have no expectation. 2 Q. Is it your hope to? 3 MS. D'ALLAIRD: Objection, asked and 4 answered. 5 THE WITNESS: Sure, we'd all like to not 6 lose the money we've lost, but. 7 BY MR. CADIGAN: 8 Q. Okay. But, I mean, through this action, is 9 it your hope to receive money, should the SEC win? 10 A. Not through this action. 11 MS. D'ALLAIRD: Same objection. 12 THE WITNESS: No. I don't expect that to -- 13 I don't expect that to be true, no. 14 BY MR. CADIGAN: 15 Q. So if the SEC wins, you don't expect to 16 receive any money? 17 MS. D'ALLAIRD: Objection, asked and 18 answered. 19 THE WITNESS: I think the money is already 20 gone. I don't think Kin has the money anyhow, so 21 I don't expect there to be anything to collect. 22 MR. CADIGAN: Can we have five minutes? 23 THE VIDEOGRAPHER: The time is 1:56 p.m. 24 We're going off the record. 25 (RECESS TAKEN)</p>	<p style="text-align: right;">Page 139</p> <p>1 Is that correct? 2 A. Correct. 3 Q. Okay. I want to turn your attention in 4 Exhibit 12 to page 8 of Exhibit 12, and there's a 5 section called Point 2, The Kin Cryptocurrency. 6 Do you see that? 7 A. Yes. 8 Q. Okay. And then looking at this, do you 9 recall reading a section in the whitepaper -- or this 10 particular section of the whitepaper? 11 A. Yes. 12 Q. Okay. If -- I want to draw your attention 13 to the second full paragraph under Point 2, The Kin 14 Cryptocurrency. It's a paragraph that begins with, In 15 character. 16 Do you see that? 17 A. Yes. 18 Q. Okay. I'm just going to read into the 19 record, "In character, Kin is a pure cryptocurrency of 20 fixed supply. It is fractionally divisible and long- 21 term noninflationary. However, as described below, 22 only a small portion of the Kin supply will become 23 liquid in the near future, as most of the Kin supply 24 is reserved for the Kin rewards engine." 25 Did I read that accurately?</p>
<p style="text-align: right;">Page 138</p> <p>1 THE VIDEOGRAPHER: The time is 2:00 p.m. We 2 are on the record. 3 MR. CADIGAN: So we have -- we have no 4 further questions for the time being. 5 THE WITNESS: Okay. 6 MS. D'ALLAIRD: Okay. Thank you. 7 EXAMINATION 8 BY MS. D'ALLAIRD: 9 Q. Dr. Neil, as I had stated a little earlier 10 today, my name is Laura D'Allaird. I represent the 11 SEC in its litigation against Kik Interactive that 12 this deposition is the subject of today, and I want to 13 just start off by thanking you for being here today 14 and giving you so much of our time -- of your time, 15 and -- and just to say that, you know, I do have some 16 questions and some documents I'm going to show you, 17 and I'm going to go through that as quickly and 18 efficiently as I can. 19 I'd like to start off by going back to 20 Exhibit 12. It's an exhibit that we looked at a 21 little earlier today. 22 A. This one? 23 Q. Yes. And so to go back to your previous 24 testimony, it's -- it's your testimony that you -- you 25 did read the Kin whitepaper before you purchased Kin.</p>	<p style="text-align: right;">Page 140</p> <p>1 A. Yes. 2 Q. Okay. And you testified earlier that you 3 recalled seeing statements relating to Kin being not 4 inflationary in the whitepaper. Reading this -- or 5 having me read this to you just now, does that refresh 6 your recollection as to whether or not this is the 7 statement you were referring to? 8 A. Yeah, this is one statement. The -- the 9 specific statement that I was referring to is actually 10 the one from Tanner, Phil, but it -- it matches 11 this -- 12 Q. Okay, in the Medium post. 13 A. -- in -- in intent but is -- the other one 14 is a longer description of this statement. 15 Q. Okay. But is it your testimony that the 16 statement I just read to you in this whitepaper 17 functionally matches the -- 18 A. Correct. 19 Q. -- the statement you were referring to 20 earlier? 21 A. It implies deflationary nature. 22 Q. Okay. And then I just want to read into the 23 record the next sentence. "Like other 24 cryptocurrencies, units of Kin are fungible and 25 transferable and they will be expected to trade on</p>

<p style="text-align: right;">Page 141</p> <p>1 cryptocurrency exchanges." 2 Did I read that accurately? 3 A. Yes. 4 Q. Okay. And does that refresh your 5 recollection as to whether or not you had read 6 statements from Kik relating to Kin being available on 7 cryptocurrency exchanges? 8 A. Yes. 9 Q. Okay. And was it your understanding -- 10 sitting here today, testifying today, is it -- was it 11 your understanding before you purchased Kin that Kin 12 would eventually be tradeable on cryptocurrency 13 exchanges? 14 A. Yes. 15 Q. Okay. I want to draw your attention back to 16 the last exhibit we left off with with counsel for 17 Kik. It's Exhibit 242, the letter dated April 10th, 18 2019. 19 A. Yes. 20 Q. Okay. And you testified earlier that you -- 21 you had read this letter before it was sent. 22 A. Correct. 23 Q. Correct? Okay. And you approved of it 24 being sent? 25 A. Correct.</p>	<p style="text-align: right;">Page 143</p> <p>1 with Kik that said that they were working on it. 2 Q. Okay. 3 A. Which is something I produced -- 4 Q. Okay. 5 A. -- somewhere. 6 Q. Okay. You can put that aside. 7 Now, after you purchased Kin, I believe you 8 testified earlier that you learned some information 9 about Kik Messenger's user base? 10 A. Yeah. 11 Q. Is -- that's right? 12 A. Correct. 13 Q. Okay. And what did you learn? 14 A. Well, the specifics on that, there was 15 nothing public until the SEC's release, so basically 16 that it had been declining. Their -- I think their 17 daily active users were declining in that they were 18 struggling to find funding, but -- but there was 19 nothing publicly made available prior to because I 20 don't have the ability to check that, so that was the 21 first time I saw it publicly announced. 22 Q. And so the information you're referring to 23 that you learned after you purchased Kin, you learned 24 that from the SEC's complaint filed in this 25 litigation?</p>
<p style="text-align: right;">Page 142</p> <p>1 Q. And to the best of your knowledge, were all 2 of the statements in this letter correct? 3 A. Correct. 4 Q. Okay. I want to draw your attention to the 5 second sentence in the third full paragraph of this 6 letter. It's a paragraph that begins with, From 7 September 12th to September 25th, 2017. 8 Do you see that? 9 A. Yes. 10 Q. In that paragraph. And I'm going to read 11 one sentence in, the second sentence of that paragraph 12 into the record. "Representatives of the ICO made 13 repeated statements providing assurances that the Kin 14 token would be placed on a regulated exchange to 15 provide the security and liquidity investors required 16 to justify their investment." 17 Did I read that accurately? 18 A. Yes. 19 Q. Okay. Reading that here today, does that 20 refresh your recollection about any statements Kik may 21 have made regarding exchanges prior to your purchase? 22 A. I mean, they're sort of the sentence that 23 said, Like other cryptocurrencies, and -- you know, 24 and then afterwards, even, there was some -- some 25 people on Reddit were -- posted their interactions</p>	<p style="text-align: right;">Page 144</p> <p>1 A. That -- that particular item for sure, yes. 2 Q. Okay. And what was your reaction when you 3 learned of that information? 4 A. It was -- I don't know. I guess pissed off. 5 I don't know if that's -- I felt like that was -- when 6 I stated earlier that there were things that weren't 7 disclosed, like that, had that been -- if that's true, 8 right, as in -- to their point, I mean, if that's 9 true, that's, I mean, messed up. 10 Q. Okay. And I think you testified earlier 11 that if that's true and if you had known that before 12 you purchased Kin, your testimony is that you would 13 not have purchased Kin? 14 MR. CADIGAN: Objection. 15 THE WITNESS: I'd say absolutely not, and 16 the reason I can say it so confidently is the 17 entire reason that I invested in Kin or Kik, or 18 however you want to look at it, was because there 19 was a legitimate venture-backed company growing 20 beside it, and that was the trust that led me to 21 put 138 grand to use. Had I known that there was 22 a problem there, there's no way I'd have -- you 23 know, that's why I didn't invest in other ICOs, 24 and that's why I still have money and didn't get 25 duped, but.</p>

<p style="text-align: right;">Page 145</p> <p>1 BY MS. D'ALLAIRD: 2 Q. And after you purchased Kin, after your 3 purchase, did you obtain any information or learn any 4 information about Kik's finances? 5 A. Nothing until y'all -- the report from 6 y'all. 7 Q. The SEC's -- 8 A. Correct. 9 Q. -- complaint? 10 A. That report from the SEC -- 11 Q. Okay. 12 A. -- or that complaint, yes. 13 Q. And do you recall what the SEC's complaint 14 generally said about Kik's finances? 15 A. In general, that, you know, it was declining 16 and they were going to need to raise capital or had 17 trouble raising capital as well, and so, you know, 18 this was a way to raise money to keep them from 19 faltering on their primary product, which was the 20 Messenger. 21 Q. And had you taken a look at Kik's finances 22 before you purchased Kin? 23 A. I mean, yeah, there's no way to -- there 24 would be no way to see them in a private company side. 25 Q. Right, that's my next question to you. To</p>	<p style="text-align: right;">Page 147</p> <p>1 A. Yeah, and, again, I'll use Jim Cramer's 2 words, but, you know, it's -- he always says, Don't 3 turn a trade into an investment, which means if you're 4 buying something because you think it has a short-term 5 profit potential, don't get stuck in it, so don't ride 6 it down. If you see that things aren't going 7 properly, get out, where there -- whereas if it's an 8 investment, you believe in it long term, you stick 9 with the vision, and you ride it, even if it goes 10 down, 'cause you believe in it will go back up, yes. 11 Q. And with an investment, you -- as you say, 12 you ride it with the belief that even if it goes down, 13 it will go back up? 14 A. Correct. 15 Q. And you're referring to the value of -- 16 A. The value, correct. 17 Q. Okay. So is it fair to say that with 18 respect to both momentum and investment, they're 19 both -- they're both -- well, let me -- strike that. 20 Is it fair to say that under both momentum 21 and investment, you're looking to ultimately make a 22 profit? 23 A. Ultimately, yes. 24 Q. Okay. You testified earlier about a coin 25 called CloakCoin?</p>
<p style="text-align: right;">Page 146</p> <p>1 your knowledge, would you -- did you have the ability 2 to even see Kik's finances before purchasing it -- 3 A. No. 4 Q. -- and the TDE? 5 A. No. 6 Q. No. Okay. And if this were true about what 7 the SEC alleges in its complaint about Kik's finances, 8 if it were true and you knew of that before you 9 purchased Kin, would you have purchased Kin and the 10 TDE? 11 MR. CADIGAN: Objection, double 12 hypothetical. 13 THE WITNESS: Again, no. 14 BY MS. D'ALLAIRD: 15 Q. Dr. Neil, you testified earlier with respect 16 to your history of purchasing cryptocurrency, you've 17 purchased some cryptocurrencies under what you called 18 "the momentum"? 19 A. Uh-huh, yes. 20 Q. And you purchased some cryptocurrencies 21 as -- I think what you referred to as an investment? 22 A. Yes. 23 Q. Can you tell me what the difference is in 24 your mind between purchasing a cryptocurrency for 25 momentum versus as an investment?</p>	<p style="text-align: right;">Page 148</p> <p>1 A. Yes. 2 Q. And what was your understanding of what the 3 value of CloakCoin is based on? 4 A. Just based on usage. 5 Q. How many people want to use it? 6 A. Correct. 7 Q. Okay. And my question is: In your view, 8 would the amount that people would be willing to pay 9 for CloakCoin have affected its value? 10 MR. CADIGAN: Objection. 11 THE WITNESS: I think what people will pay 12 is what defines the value. 13 BY MS. D'ALLAIRD: 14 Q. Okay. Dr. Neil, on the day that you first 15 received your Kin, first time you received Kin after 16 purchasing it, to your understanding, on that day when 17 you first received Kin, could you have bought or 18 purchased anything using Kin? 19 A. No. 20 Q. Dr. Neil, at the time that you purchased 21 Kin, what did you plan to do with it long term? 22 A. Define "long term." But, I mean, the -- 23 within a few months, I expected to exit some of the 24 position 'cause I had put a large percentage of my 25 Ethereum worth into -- to that investment, so I</p>

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1 intended to liquidate a percentage of it. And then
2 depending on the progression of the ecosystem, I may
3 have held some long term, but to definitely decrease
4 the exposure.

5 **Q. And when you say exit from it -- some of it**
6 **in the short term, what do you mean by that?**

7 A. Either trade into a different cryptocurrency
8 or trade it back into U.S. dollars or U.S. dollar
9 equivalents.

10 **Q. And was -- did you do that?**

11 A. No, I could not.

12 **Q. And why could you not?**

13 A. 'Cause the -- back to what we were talking
14 about earlier, the only exchanges that picked up the
15 Kin token in the next -- even to this day, really,
16 have been sort of fairly untrusted, non-mainstream
17 exchanges.

18 **Q. Okay. And your hope to be able to exit out**
19 **of some of your Kin position in the short term, was**
20 **that a hope to make a profit when you exited out of**
21 **it?**

22 A. Of course, yes.

23 **Q. Dr. Neil, have Kik's attorneys ever**
24 **contacted you about this litigation?**

25 A. We talked -- I talked to Jenna and someone

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1 else on the phone with Jenna -- Jenna Bailey for maybe
2 an hour one time, maybe three months ago, two months
3 ago.

4 **Q. Okay. Three months ago. And you say on the**
5 **phone it was Jenna Bailey?**

6 A. Yes, and then one other. I think it was a
7 male person, but I'm not sure --

8 **Q. You don't recall?**

9 A. -- the name.

10 **Q. Okay. But both attorneys for Kik?**

11 A. My understanding, yes.

12 **Q. Your understanding. Okay. How did that**
13 **call come about? How were you first contacted?**

14 A. I think there was an email. I'm not
15 quite -- I guess -- I think Jenna sent me an email and
16 said that I was -- I don't quite know how she got
17 word, but it was an email.

18 **Q. Okay. It was an email. And then at some**
19 **point you had a phone call?**

20 A. Correct.

21 **Q. Okay. And how long was the phone call**
22 **approximately?**

23 A. Forty-five minutes, maybe an hour.

24 **Q. Other than Ms. Bailey and then another male**
25 **on the phone and yourself, was there anyone else on**

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1 **the phone?**

2 A. No.

3 **Q. Okay. And to the best of your recollection,**
4 **can you just walk me through that conversation?**

5 A. I mean, it was similar, probably, to our
6 call with -- with y'all, which basically was just, you
7 know, about the story of when I invested, why I
8 invested, how I feel about that investment, how I feel
9 about the current situation, would I testify in a
10 deposition, just stuff -- or, you know, things around
11 that, which is sort of similar to -- very similar to
12 the call with the SEC.

13 **Q. Okay. On that call, did Kik's attorneys**
14 **state for you their view of the case?**

15 A. I don't think so.

16 **Q. After that phone call, did you have any**
17 **other discussions with Kik's attorneys regarding this**
18 **litigation?**

19 A. I don't -- other than a lot of emails around
20 subpoena and this stuff, I don't think we talked
21 again. I don't -- yeah, I don't think anything else.

22 **Q. I'm now going to show you some documents,**
23 **and I'm going to go through these as quickly as**
24 **possible.**

25 MS. D'ALLAIRD: This is going to be 243. Is

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1 that right?

2 (EXHIBIT 243 WAS MARKED FOR IDENTIFICATION)

3 **Q. Dr. Neil, I've just handed to you what has**
4 **now been marked as Exhibit 243. It's an email, the**
5 **top of which is dated Thursday, June 1st, 2017, 9:09**
6 **a.m., from Kin by Kik to email address [REDACTED]**
7 **[REDACTED]**

8 **My first question to you, Dr. Neil, is: Do**
9 **you recognize Exhibit 243?**

10 A. It looks like my email address. I don't
11 specifically remember this email, but it looks like an
12 email.

13 **Q. But is [REDACTED] --**

14 A. Yes.

15 **Q. -- .com your email address? Okay.**

16 A. That is my email.

17 **Q. And you have -- do you have any reason to**
18 **believe that you did not receive this email?**

19 A. No.

20 **Q. Okay.**

21 A. I believe I did.

22 **Q. Okay. Great. You can set that aside.**

23 MS. D'ALLAIRD: This will be 244.

24 (EXHIBIT 244 WAS MARKED FOR IDENTIFICATION)

25 **Q. Dr. Neil, I've just handed to you what has**

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1 now been marked as Exhibit 244. It's an email dated
2 Thursday, June 15th, 2017, at 4:12 p.m. from Kin by
3 Kik to [REDACTED]. You can take a minute to look
4 at it, and let me know when you're ready for me to ask
5 you my questions.

6 A. Okay.

7 Q. Dr. Neil, do you recognize Exhibit 244?

8 A. I recognize my email address again, but not
9 the specific email.

10 Q. Not the specific email. And do you have any
11 reason to believe that you did not receive this email?

12 A. No.

13 Q. Okay. You can set that aside.

14 MS. D'ALLAIRD: This will be 245.

15 (EXHIBIT 245 WAS MARKED FOR IDENTIFICATION)

16 Q. Dr. Neil, I've just handed to you what has
17 now been marked as Exhibit 245. It's an email dated
18 at the top Tuesday, August 22nd, 2017, at 6:34 p.m.
19 from Kin by Kik to [REDACTED]. Again, just, you
20 know, take a minute to look over this document and let
21 me know when you're ready for my questions.

22 A. Okay.

23 Q. My first question to you is: Do you
24 recognize Exhibit 245?

25 A. Yeah, I vaguely remember this one.

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1 registration -- I remember the -- that I got it

2 approved. I remember that part of this, but I don't
3 really remember.

4 Q. You remember being approved to -- to
5 register --

6 A. Yeah.

7 Q. -- for the TDE?

8 A. Yeah. I'm not sure if I did that or not.

9 Q. Okay. All right. You can set that aside.

10 MS. D'ALLAIRD: 246.

11 (EXHIBIT 246 WAS MARKED FOR IDENTIFICATION)

12 Q. Dr. Neil, I've just handed to you what has
13 now been marked as Exhibit 246. It's an email dated
14 at the top Friday, September 1st, 2017, at 10:04 a.m.
15 from Kin by Kik to [REDACTED]. Take a minute to
16 look at this, and just let me know when you're ready
17 for my questions.

18 A. Okay.

19 Q. Do you recognize Exhibit 246?

20 A. Again, vaguely, yes.

21 Q. Vaguely. No reason to believe that you did
22 not receive this email.

23 A. Correct.

24 Q. Right? Okay. But you -- you say you
25 vaguely recall reading it?

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1 Q. You do --

2 A. Yeah.

3 Q. You remember reading this?

4 A. Yeah.

5 Q. Okay. And, again, no reason to believe you
6 didn't receive this email.

7 A. Correct.

8 Q. Right? I just want to quickly draw your
9 attention to one thing in this email. The third
10 paragraph down from the top that says, Good news,
11 third paragraph down, it begins, For your reference.
12 Do you see that?

13 A. I do.

14 Q. (Reading) For your reference and
15 convenience, here is a link to the complete user
16 registration guide.

17 Then underneath that it says, User
18 Registration Guide. It's underlined.

19 Did you ever read the user registration
20 guide?

21 A. I'd -- I'd probably have to see it to
22 remember if I did. I'm not -- I'm not -- I don't
23 remember.

24 Q. But you recall reading this email?

25 A. Again, vaguely. I remember the

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1 A. Yes.

2 Q. Okay. You can set that aside.

3 MS. D'ALLAIRD: This will be 247.

4 (EXHIBIT 247 WAS MARKED FOR IDENTIFICATION)

5 Q. Dr. Neil, I've just handed to you what has
6 now been marked as Exhibit 247. It's an email, the
7 top of which is dated Tuesday, October 3rd, 2017, at
8 11:59 a.m. from Kin by Kik to [REDACTED]. You
9 know, same thing, take a look at this and let me know
10 when you're ready for my questions.

11 A. Okay.

12 Q. Do you recognize Exhibit 247?

13 A. Not specifically.

14 Q. Is that your email address that appears in
15 the To line?

16 A. Yes.

17 Q. Okay. Any reason to believe that you did
18 not receive this email?

19 A. No.

20 MS. D'ALLAIRD: 248.

21 (EXHIBIT 248 WAS MARKED FOR IDENTIFICATION)

22 Q. And Dr. Neil, I've just handed to you what
23 has now been marked as Exhibit 248. It's an email,
24 the top of which is dated Tuesday, September 26, 2017,
25 at 9:03 a.m. from Kin by Kik to [REDACTED]. Take

<p style="text-align: right;">Page 157</p> <p>1 a moment to look at this exhibit, and let me know when 2 you're ready for my questions. 3 A. Okay. 4 Q. Dr. Neil, do you recognize Exhibit 248? 5 A. Yeah. Again, vaguely, but yes. 6 Q. Vaguely. And what -- what do you recognize 7 it to be? 8 A. Just what it says, I mean, the -- the 9 results of the -- that the token that had been 10 distributed. That's the part I remember, is just that 11 I got an email about -- that the tokens were now 12 distributed. 13 Q. All right. And in the second paragraph in 14 this email, per our earlier communications, this 15 paragraph sets out the Kin that's been allocated to 16 you. Is that correct? 17 A. Correct. 18 Q. Okay. You can set that aside. Okay. Just 19 a few more. 20 A. Okay. 21 Q. And we'll be done soon. 22 MS. D'ALLAIRD: 249. 23 (EXHIBIT 249 WAS MARKED FOR IDENTIFICATION) 24 Q. Dr. Neil, I've just handed to you what has 25 now been marked as Exhibit 249. It is an email, top</p>	<p style="text-align: right;">Page 159</p> <p>1 BY MS. D'ALLAIRD: 2 Q. Dr. Neil, I've just handed to you what has 3 now been marked as Exhibit 250. It's an email chain. 4 The top email on the first page is dated Monday, 5 December 30th, 2019, at 2:29:15 p.m., from Jack Neil, 6 MD, to Bailey, Jenna C. Take a minute to review and 7 let me know when you're ready for my questions. And 8 you can take your time, but my question, as with the 9 others, is going to be -- 10 A. Oh, okay. 11 Q. -- do you recognize this exhibit? 12 A. I was making sure I knew all the pieces that 13 were tagged in here. Yes, this looks like an email 14 from me. 15 Q. Okay. And you recognize this as an exchange 16 between you and Kik's attorneys? 17 A. Correct. 18 Q. Okay. You can set that aside. 19 MS. D'ALLAIRD: This is going to be 251. 20 (EXHIBIT 251 WAS MARKED FOR IDENTIFICATION) 21 Q. Dr. Neil, I've just handed to you what has 22 now been marked as Exhibit 251. Again, it's an email 23 chain. The top email on the first page is dated 24 Tuesday, January 21st, 2020, at 4:53:31 p.m. from 25 Jenna Bailey to Jack Neil, cc Michael Welsh. Take a</p>
<p style="text-align: right;">Page 158</p> <p>1 of which is dated Tuesday, November 26, 2019, at 2 9:58:08 p.m. Take a minute to review, and let me know 3 when you're ready for my questions. 4 A. Okay. 5 Q. Dr. Neil, do you recognize this exhibit? 6 A. Yes. 7 Q. Okay. And what is it? 8 A. It's the email from Jenna Bailey asking to 9 set up a phone call. 10 Q. Okay. And the date on this is Tuesday, 11 November 26th, 2019. Correct? 12 A. Yes. 13 Q. Okay. Is this the first time that Kik's 14 attorneys reached out to you regarding this 15 litigation? 16 A. Yes. 17 Q. Okay. All right. You can set that aside. 18 MS. D'ALLAIRD: 250. 19 (EXHIBIT 250 WAS MARKED FOR IDENTIFICATION) 20 Q. Dr. Neil -- 21 MR. CADIGAN: That's 251. Right? 22 THE COURT REPORTER: 250. 23 MS. D'ALLAIRD: 250. 24 MR. CADIGAN: Oh, I'm sorry. 25 ///</p>	<p style="text-align: right;">Page 160</p> <p>1 minute to review and let me know when you're ready for 2 my questions. 3 A. Okay. Yeah, I remember this email. 4 Q. And Dr. Neil, do you recognize -- 5 A. Yes. 6 Q. -- this email? And you said you do remember 7 it. And what is it? 8 A. Jenna nudging me to do a better search. 9 Q. What do you mean by that? 10 A. To send over the emails in addition to 11 everything else. 12 Q. The emails that's -- 13 A. Between -- 14 Q. -- that Kik's counsel requested? 15 A. Subpoenaed, correct. 16 Q. And subpoenaed. Okay. You can set that 17 aside. 18 MS. D'ALLAIRD: 252. 19 (EXHIBIT 252 WAS MARKED FOR IDENTIFICATION) 20 Q. Okay. Dr. Neil, I've just handed to you 21 what has now been marked as Exhibit 252. It's an 22 email chain. The top email in the first page is dated 23 Sunday, January 26th, 2020, at 4:16:39 p.m. from Jenna 24 Bailey to Jack Neil, CC'd Michael Welsh. Take a 25 minute to review and let me know were you're ready for</p>

<p style="text-align: right;">Page 161</p> <p>1 my questions.</p> <p>2 A. Okay.</p> <p>3 Q. And Dr. Neil, do you recognize Exhibit 252?</p> <p>4 A. Yes.</p> <p>5 Q. And what is it?</p> <p>6 A. A response from Jenna asking for just a</p> <p>7 little more information, including the emails.</p> <p>8 Q. More information regarding your</p> <p>9 production --</p> <p>10 A. The subpoena.</p> <p>11 Q. -- under the subpoena from Kik?</p> <p>12 A. Correct.</p> <p>13 Q. Right. Okay. You can set that aside.</p> <p>14 MS. D'ALLAIRD: Can we just go off the</p> <p>15 record for just two minutes, please?</p> <p>16 THE VIDEOGRAPHER: The time is 2:29 p.m.</p> <p>17 We're going off the record.</p> <p>18 (RECESS TAKEN)</p> <p>19 THE VIDEOGRAPHER: The time is 2:34 p.m. We</p> <p>20 are on the record.</p> <p>21 MS. D'ALLAIRD: All right. Thank you so</p> <p>22 much, Dr. Neil. The SEC has no further questions</p> <p>23 at this time.</p> <p>24 THE WITNESS: Okay.</p> <p>25 MR. CADIGAN: We have just a -- just a very,</p>	<p style="text-align: right;">Page 163</p> <p>1 CEO Ted Livingston.</p> <p>2 Correct?</p> <p>3 A. That's what it says.</p> <p>4 Q. And it goes on to say that, Admitting your</p> <p>5 customer (sic) -- and further down, there's a</p> <p>6 paragraph, Admitting your customer (sic) app company</p> <p>7 isn't growing is not common among startup CEOs. In</p> <p>8 fact, it's the kind of information you usually hide</p> <p>9 deep in the back closet so you don't even have to look</p> <p>10 at it.</p> <p>11 Is that right?</p> <p>12 A. Yes.</p> <p>13 Q. Okay. It goes on to say, But Livingston is</p> <p>14 not the common startup CEO. He's much more open and</p> <p>15 opinionated than most, and he also isn't too concerned</p> <p>16 with Kik's user growth plateau.</p> <p>17 You see that?</p> <p>18 A. I do.</p> <p>19 Q. And then at the end -- at the end of the</p> <p>20 article, the article states, last -- second-to-last</p> <p>21 paragraph, But no matter how you frame it, Kik needs a</p> <p>22 boost, perhaps not right now, but as we've learned</p> <p>23 from Twitter, stagnating growth means the vultures</p> <p>24 start to circle.</p> <p>25 Is that right?</p>
<p style="text-align: right;">Page 162</p> <p>1 very, very minor followup.</p> <p>2 THE WITNESS: Okay.</p> <p>3 MR. CADIGAN: We're at Exhibit 252?</p> <p>4 THE COURT REPORTER: Three.</p> <p>5 MR. CADIGAN: 253, thanks.</p> <p>6 (EXHIBIT 253 WAS MARKED FOR IDENTIFICATION)</p> <p>7 FURTHER EXAMINATION</p> <p>8 BY MR. CADIGAN:</p> <p>9 Q. Dr. Neil, in response to some questions from</p> <p>10 Ms. D'Allaird about -- or in response to some</p> <p>11 questions, you mentioned that one of the things that</p> <p>12 you wish you had known was that Kik's user numbers</p> <p>13 were declining. Is that right?</p> <p>14 A. Yes.</p> <p>15 Q. Okay. And did you -- had you read this</p> <p>16 article at Exhibit 253 from Vox dated September 29th,</p> <p>17 2016?</p> <p>18 A. No, I have never seen this.</p> <p>19 Q. Okay. And in the article it says, Kik</p> <p>20 Messenger is no longer growing.</p> <p>21 Right?</p> <p>22 A. Correct.</p> <p>23 Q. And the first line of the article says, Kik</p> <p>24 Messenger, the six-year-old standalone messaging app</p> <p>25 primarily used by US teams is no longer growing, says</p>	<p style="text-align: right;">Page 164</p> <p>1 A. Correct.</p> <p>2 Q. And had you seen that these -- this article</p> <p>3 or articles like this out in the press regarding this</p> <p>4 at the time?</p> <p>5 A. I had never seen this. If I'd have seen</p> <p>6 this, it would have saved me \$138,000 probably.</p> <p>7 Q. But this was out there?</p> <p>8 A. Yeah, apparently.</p> <p>9 MS. D'ALLAIRD: Objection.</p> <p>10 BY MR. CADIGAN:</p> <p>11 Q. And this was --</p> <p>12 MR. MENDEL: Objection.</p> <p>13 MS. D'ALLAIRD: Objection.</p> <p>14 BY MR. CADIGAN:</p> <p>15 Q. This was just prior to the time you learned</p> <p>16 of -- of the Kik token. Correct?</p> <p>17 MS. D'ALLAIRD: Objection.</p> <p>18 THE WITNESS: The date on this is prior to</p> <p>19 that, yes.</p> <p>20 MR. CADIGAN: Okay. We have no further</p> <p>21 questions.</p> <p>22 MS. D'ALLAIRD: Thank you. Did you -- oh,</p> <p>23 okay. Can we just go off the record for a</p> <p>24 minute?</p> <p>25 THE VIDEOGRAPHER: The time is 2:37 p.m. We</p>

<p style="text-align: right;">Page 165</p> <p>1 are off the record. 2 (RECESS TAKEN) 3 THE VIDEOGRAPHER: The time is 2:40 p m. We 4 are on the record. 5 MS. D'ALLAIRD: Dr. Neil, we just have a 6 couple questions about what you were just shown. 7 FURTHER EXAMINATION 8 BY MS. D'ALLAIRD: 9 Q. Taking a look at Exhibit 253, the Vox 10 article titled Kik Messenger Is No Longer Growing. 11 A. Uh-huh. 12 Q. Do you see the date there is -- of this 13 article is September 29th, 2016? 14 A. Yes. 15 Q. You see that? Okay. When did you purchase 16 your Kin? 17 A. September 2017, like a year later. 18 Q. I think we saw that in one of the -- 19 A. Yeah. 20 Q. -- emails? 21 A. September 2017. 22 Q. Okay. And so you purchased Kin roughly a 23 year after this article? 24 A. Yes. 25 Q. Okay. And it's your testimony that you</p>	<p style="text-align: right;">Page 167</p> <p>1 Q. Okay. Taking a look at the second full 2 paragraph under that section, Building Fundamental 3 Value, I'm just going to read that into the record. 4 "Today Kik is one of the world's most used 5 chat apps and the fifth most searched term in the IOS 6 app store. The millions of people who use Kik each 7 month are in a unique position to demonstrate how 8 cryptocurrency economies might form and function in 9 the context of a large mainstream user base." 10 Did I read that accurately? 11 A. Yes. 12 Q. Okay. And was it your understanding at the 13 time that you purchased Kin that Kik was one of the 14 world's most used chat apps? 15 A. Yes. 16 Q. Okay. And was your understanding based on 17 what you read in the whitepaper? 18 A. Yes, that and other messaging around that 19 time. 20 Q. Other messaging by Kik? 21 A. Yeah, on CoinDesk, just different news 22 articles. 23 MS. D'ALLAIRD: Okay. Thank you. That's 24 all I have. 25 MR. CADIGAN: We have nothing further.</p>
<p style="text-align: right;">Page 166</p> <p>1 never saw this article? 2 A. Correct. 3 Q. It is your testimony that you read the 4 whitepaper? 5 A. Yes. 6 Q. Okay. If you could just very quickly turn 7 back to Exhibit 12, the Kin whitepaper, and I just 8 want to draw your attention to page 5 of Exhibit 12, 9 the Kin whitepaper. Towards the bottom of that page, 10 it's a section at the very top titled One Kik's 11 Vision. 12 Do you see that? 13 A. Yes. 14 Q. And then there's a few bolded headings, the 15 last one towards the bottom of the page is Building 16 Fundamental Value. 17 Do you see that? 18 A. Yes. 19 Q. Okay. And taking a look at the second 20 paragraph under there -- oh, I should back up. And so 21 do you recall reading this section of the whitepaper? 22 A. Vaguely. It's been a while, but. 23 Q. Okay. But your testimony is that you read 24 the whitepaper? 25 A. I read the whitepaper, yes.</p>	<p style="text-align: right;">Page 168</p> <p>1 THE VIDEOGRAPHER: This concludes the video 2 deposition of Dr. Jack Neil. The time is 3 2:42 p m. We are off the record. 4 (SIGNATURE RESERVED) 5 (DEPOSITION CONCLUDED AT 2:42 p m.) 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25</p>

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1 STATE OF NORTH CAROLINA
COUNTY OF FORSYTH

2

3 REPORTER'S CERTIFICATE

4 I, JUDY F REINS, a Notary Public in and for
5 the State of North Carolina, do hereby certify that
6 there came before me on Tuesday, the 28th day of
7 January, 2020, the person hereinbefore named, JACK
8 EDWARD NEIL, M D , who was by me duly sworn or affirmed
9 to testify to the truth and nothing but the truth of

10 his knowledge concerning the matters in controversy in
11 this cause; that the witness was thereupon examined
12 under oath, examination reduced to typewriting under
13 my direction, and the deposition is a true record of
14 the testimony, to the best of my ability and
15 understanding, given by the witness

16 I further certify that I am neither attorney
17 or counsel for, nor related to or employed by, any
18 attorney or counsel employed by the parties hereto or
19 financially interested in the action

20 IN WITNESS WHEREOF, I have hereto set my
21 hand, this the 31st day of January, 2020

22<%21562,Signature%>

23

JUDY F REINS, RMR, CRR

24 Notary Public No 20031970024

25